INTERIOR DEPARTMENT APPROPRIATIONS FOR 1953

HEARINGS

BEFORE THE

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES

EIGHTY-SECOND CONGRESS

SECOND SESSION

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PART 1

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INTERIOR DEPARTMENT APPROPRIATIONS FOR 1953

TUESDAY, JANUARY 15, 1952.

OFFICE OF THE SECRETARY

ENFORCEMENT OF CONNALLY HOT-OIL ACT

WITNESSES

HUGH A. STEWART, ACTING DIRECTOR, OIL AND GAS DIVISION
E. B. SWANSON, ASSISTANT DIRECTOR

Amounts available for obligation

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate	$180,000	$158,670	$187,000
Proposed supplemental due to pay increases		11,000	
Total available for obligation	180,000	169,670	187,000
Unobligated balance, estimated savings	−2,173		
Obligations incurred	177,827	169,670	187,000

Obligations by activities

Enforcement of the Connally Hot-Oil Act:

1951	$177,827
1952	169,670
1953	187,000

Obligations by objects

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions	34	27	32
Average number of all employees	32	27	32
Average salaries and grades:			
General schedule grades:			
Average salary	$4,864	$5,429	$5,380
Average grade	GS-7.8	GS-7.8	GS-7.5
Crafts, protective, and custodial grades:			
Average salary	$2,540	$2,840	$2,840
Average grade	CPC-2.0	CPC-2.0	CPC-2.0
01 Personal services:			
Permanent positions	$152,422	$148,335	$167,965
Regular pay in excess of 52-week base		635	835
Total personal services	152,422	148,970	168,800
02 Travel	6,179	7,200	7,200
03 Transportation of things	210	300	300
04 Communication services	806	900	900
05 Rents and utility services	6,077		
06 Printing and reproduction	1,892	1,900	1,900
07 Other contractual services	2,609	3,000	3,000
08 Supplies and materials	3,095	3,300	3,300
09 Equipment	4,537	4,100	1,600
Obligations incurred	177,827	169,670	187,000

Analysis of expenditures

	1951 actual	1952 estimate	1953 estimate
Unobligated obligations, start of year		$16,970	$16,600
Obligations incurred during the year	$177,827	169,670	187,000
	177,827	186,640	203,600
Deduct unliquidated obligations, end of year	16,970	16,600	16,600
Total expenditures	160,857	170,040	187,000
Expenditures are distributed as follows:			
Out of current authorizations	160,857	143,540	171,500
Out of prior authorizations		16,000	15,000
Out of anticipated 1952 supplemental for pay increases		10,500	500

Mr. KIRWAN. The committee will please come to order.

This morning we begin hearings of the Interior Department Subcommittee of the Committee on Appropriations, for the fiscal year 1953.

Before we get into the details of the budget estimates I want to make a statement similar to one I have made before about the conduct of the committee's hearings.

The budget officer of the Department is our contact with the Department on all budgetary matters, and we want him to pass along to each witness who will be coming before the committee what I am going to say.

POLICY OF THE SUBCOMMITTEE

This subcommittee has a lot of ground to cover and a short time in which to get the job done. Representatives of the Department must give the committee their complete cooperation if we are to get all the information we need in the limited time we have. We must have accurate statements of all the necessary facts but we do not want any more than that. When a witness gives a summary explanation of an appropriation request or gives an answer to a question, he should give us the important facts in the fewest number of words possible.

Questions should be answered directly without bringing up matters not included in the question. Then, if the witness feels that further explanation or background material is necessary for clarity, he may offer more after he has responded to the question. But answer the question first. It should not be necessary for the committee to draw out information by cross-examination and repetition.

When a member of the committee asks a question, it is expected that the head of the agency or bureau under examination, or the person who is addressed, will respond. If it is desired that another witness answer the question, the person addressed by the committee should in each case request permission of the chairman to have another person respond. This is necessary in the interest of orderly proceedings.

Experience has shown that the presence of a large number of witnesses or the presence of mere observers in the room delays the hearings. Therefore, we are going to ask that only a small number of persons be present at one time. Mr. Beasley should make arrangements with the committee secretary regarding who and how many persons are to appear before the committee.

Now, one other thing. Mr. Beasley should remind each witness who will appear here that we will follow our customary rules regarding the correction of transcript. It must be returned promptly to the committee and changes must be limited to grammar, spelling, and so forth. No substantive change in what was said by the witness can be made.

The first item we shall consider this morning is "Enforcement of the Connally Hot-Oil Act" for which the estimate for 1953 is $187,000, and the appropriation for 1952 was $158,670. Mr. Stewart, do you have a statement to make?

Mr. STEWART. Yes, sir. The statement that is in the budget on pages 3 and 4 of our justification seems to me to cover the requirements quite effectively.

Mr. KIRWAN. The statement referred to will be inserted in the record at this point.

(The matter referred to is as follows:)

GENERAL STATEMENT

The Connally Act is permanent legislation enacted to give Federal support to the State oil and gas conservation laws, by prohibiting the shipment in interstate commerce of oil produced in excess of the amounts permitted under State laws and regulations. Oil conservation is of utmost importance with the advance in our defense needs, and the emergency situation calls for strict enforcement of the laws, rather than the relaxed attention which must result when the staff, because of reduced funds, is not large enough to do the job. The appropriation request for fiscal year 1953, asks for five additional positions but still maintains the personnel levels below the fiscal year 1951. Such an enforcement staff would be only about half as large as that employed before the war.

The enforcement of the Connally Act is essentially a field activity, with the principal office at Kilgore, Tex., and suboffices at Midland and Houston, Tex., and Lafayette, La. Enforcement is achieved primarily through continuous field investigations carried on by the examining staff, observing and inspecting producing, transporting, storing ,and processing operations, and by the inspection and auditing of records and reports, and when necessary through investigative interviews and hearings.

The field staff receives and processes each month about 5,700 reports, about 5,000 of which are filed by producers, about 550 by transporters and storers, and the remainder by processors and refiners. These reports cover operations in over a thousand oil fields and account for about 39 percent of the entire crude oil production in the United States. In its field work, the examiner staff visited 545 oil fields during the fiscal year 1951, gaged, checked, or inspected 9,344 oil leases, 4 refineries, and 13 pipeline systems, and conducted 1,362 field interviews and 530 interviews regarding criminal investigations.

EFFECT OF 1952 BUDGET CUT

Mr. KIRWAN. What has been your experience this year in enforcement as a result of the action taken last year?

Mr. STEWART. The number of examiners, inspectors, was cut by four. They are the heart of the crew, and it simply reduced the effectiveness of the field work tremendously.

Mr. KIRWAN. It has handicapped you?

Mr. STEWART. It has handicapped us very much.

Mr. KIRWAN. You think you were better off when you had the other four inspectors?

Mr. STEWART. Yes, sir.

Mr. KIRWAN. The Government was in a better position and was able to keep a better check on hot oil?

Mr. STEWART. Yes, sir.

STATE REACTIONS

Mr. KIRWAN. Have the States where this work is carried on manifested any concern over the effectiveness with which the work is conducted?

Mr. STEWART. Yes. We have had questions and complaints from various State regulatory bodies as to why we did not have men in there backing them up. They wanted to know why we did not do more checking. We simply have not been able to get around.

Mr. KIRWAN. What do they think about the four who were taken out? Do they think it was good?

Mr. STEWART. No, they do not.

DEFENSE OR EMERGENCY CONTROLS

Mr. KIRWAN. Are there any new State or Federal controls connected with Defense or Emergency Activities which affect your work?

Mr. STEWART. No.

Mr. KIRWAN. You think in an emergency such as exists now, we were much better off with the four employees that we eliminated?

Mr. STEWART. Very definitely.

NUMBER OF EMPLOYEES

Mr. JENSEN. How many employees do you have at the present time?

Mr. SWANSON. 24; 2 in Washington and 22 in the field.

Mr. JENSEN. How many did you have a year ago?

Mr. SWANSON. At the beginning of fiscal year 1952 we had 31; 3 in Washington and 28 in the field. That is a decrease of seven. We are asking for the reemployment or reappointment of five. We ask for 29.

Mr. JENSEN. You ask for 5 more?

Mr. SWANSON. Bringing it back to 29, versus 31 at the beginning of fiscal year 1952.

Mr. JENSEN. Those five include one GS–9 examiner?

Mr. SWANSON. That is correct.

Mr. JENSEN. One GS–8 examiner?

Mr. SWANSON. Yes.

Mr. JENSEN. One GS–5 secretary-stenographer?

Mr. SWANSON. Yes.

Mr. JENSEN. Two GS–4 clerk-stenographers?

Mr. SWANSON. That is correct.

Mr. JENSEN. Making a total of $19,440?

Mr. SWANSON. At Kilgore, for instance, sir, we have 12 employees at the present time.

Mr. JENSEN. Where?

Mr. SWANSON. Kilgore, Tex., the main field office. We have 12 employees there, and only 1 stenographer for the entire office. We have only one stenographer at each of the other field offices.

WORK OF PERSONNEL AT KILGORE

Mr. JENSEN. Now, tell the committee what these 12 men do down there, starting in with the head man. How much does he draw? What is his salary?

Mr. SWANSON. He is a GS–14, he gets about $10,000.

Mr. JENSEN. What is his name?

Mr. SWANSON. James R. Lewis. He is the Chairman of the Federal Petroleum Board, which is the field enforcing agency of the Connally Act administration. He has been with the organization from its inception back in 1933.

Mr. JENSEN. Just tell me what he does, now.

Mr. SWANSON. He is what we would call the supervising examiner at large in the field. He maintains contact with all the United States attorneys in each of the districts.

Mr. JENSEN. How many districts are there?

Mr. SWANSON. I could not tell you that, sir, because I do not know how many districts there are, as to the judicial districts in each of the States.

We operate most in the New Mexico district, the western district of Texas, the northern district of Texas, the eastern district of Texas, the southern district of Texas, and the western district of Louisiana. Most of our work is with five United States attorneys in the handling of cases.

PROCEDURE FOR HANDLING CASES

The cases, as you will recall, come to Washington and are sent by us to the Department of Justice, and then are referred by the Attorney General to the district attorneys in the field. At that point Mr. Lewis, the chairman, is the contacting officer of the board, and he works very closely and very directly with the United States attorneys in the preparation of the cases.

In the same manner, he works very closely with the State conservation authorities, the Railroad Commission of Texas, the Department of Conservation of Louisiana, and also the same for New Mexico, Oklahoma, Kansas, Arkansas, and Mississippi.

In addition to that, Mr. Lewis works directly with each of the three field offices, working with the other examiners in the preparation of cases. He is an extremely capable and very active man. He is well respected not only by the staff but by the persons whom it has been necessary for him to bring into court. He even maintains the respect of those who have been the defendants in the cases.

NATURE OF CASES

Mr. JENSEN. Generally speaking, what is the nature of the cases which are brought before the courts under this Hot-Oil Act?

Mr. SWANSON. The cases are violations of the State rules and regulations pertaining to the manner in which an oil field should be produced. The larger part of the cases are instances in which the operators will produce from one or more wells a larger amount of oil than the State law permits them to do, thereby making up the deficiency for wells which are incapable of making their allowable, or for some reason or other they will not produce the oil in accordance with the regulations. In other words, the operator will concentrate his production in one or more wells and leave a number of them shut down.

That is a dangerous situation for the field, in that the concentration of production in one or more wells like that will reduce the pressure at the bottom of the hole, will create a pressure sink adjacent to the

well, and in the event that it is a water-drive field that will tend to draw water in from the edges of the field, or if it is a gas-drive field it will reduce pressure and tend to have the gas go out of solution.

If it were done by only one operator in the field, it might not do so much damage in the field. He would probably benefit in the long run, because, if he were to close his well down, the pressure would equalize, and oil would move back into his property. But if all of them did it in the field, or a substantial number of them did it in the field, it would seriously damage the field and the ultimate ability to produce oil in the area.

It is not like the old days in east Texas, for instance, where there was a mass overproduction of oil, which was called hot oil. These are violations of the rules and regulations of the States whereby the operator produces oil in a manner in which he is not permitted to operate under the State law.

Mr. JENSEN. The origin of the title "Hot Oil" was brought about by the fact that there was a limited oil production; was it not? The men could sell so much crude oil, and you discovered that some of them were selling more crude than the law provided. The difference between what they were allowed to sell and what they did sell was hot oil? Is that not what brought about this act?

Mr. SWANSON. It was that mass overproduction of oil in excess of the allowable, in complete disregard of everything, in the east Texas field, that brought it about. The term "hot oil", I suppose, originated down there. It is called contraband oil in the Connally Act.

RESPONSIBILITY UNDER THE LAW

Mr. JENSEN. Is that not your main job: to see to it that no one produces or markets more oil?

Mr. SWANSON. Produces.

Mr. JENSEN. More than the law allows?

Mr. SWANSON. That is correct; yes, sir. However, you asked the nature of the cases, and these are mostly cases of individual instances in which the operators violate the specific rules as related to the field.

Mr. JENSEN. Are there not other departments of Government which handle that particular part of it? I thought all you had to do was to see to it that no one sold or marketed more oil than the law allows.

Mr. SWANSON. In the process of marketing the oil, he produces more than the State law allows him to produce.

This is not a case only of the manner of production. I probably misled you on that. The fact is that by producing it in that manner he produces more oil than the law allows him to produce from those particular wells.

ACTION TAKEN

Mr. JENSEN. What do you do with that oil, where he produces more oil than the law allows? You have the oil on the top of the ground?

Mr. SWANSON. He has moved it into interstate commerce by the time we find it out.

Mr. JENSEN. Generally speaking?

Mr. SWANSON. Always.

Mr. JENSEN. Then what do you do?

Mr. SWANSON. We bring action against him, and ordinarily the cases go to trial and he pays a fine.

Mr. JENSEN. Does that generally stop him, or does he keep right on?

Mr. SWANSON. We have had only one instance where we have had repetition, that I can recall.

FINES IMPOSED

Mr. JENSEN. What is the fine, generally?

Mr. SWANSON. We have had four cases so far this year, and the fines imposed range from one small instance in which the fine was $100 up to two cases in which the fines were $2,500 each, making $5,100. Then there was another case over in New Mexico, where there were a number of persons involved, with a number of charges, and the total fine assessed was $20,000.

Ordinarily they will vary just about that much. Where an individual is concerned, the fine is usually very low—$50 or $100, or $250.

Mr. JENSEN. You say, with the exception of one case, that stops them from doing it again, after they have gone through the mill once?

Mr. SWANSON. That is true. There is only one instance I can remember of one operator who has been brought into an investigation more than once, and that is a case which is now on its way to the Department of Justice, where the person involved was a prior offender.

Mr. JENSEN. That is all, Mr. Chairman.

ACTION UNDER STATE LAW

Mr. JACKSON. Just to clarify the record, I take it that your agency only acts in those States where you have a State law dealing with this question of production.

Mr. SWANSON. That is correct.

Mr. JACKSON. In other words, the Federal Government has no authority to impose regulations within a State.

Mr. SWANSON. That is correct.

Mr. JACKSON. And the Federal authority is predicated on the basis that there has been a violation of State law, and there is a movement of the oil into interstate commerce in violation of the State law, which gives you the authority.

Mr. SWANSON. That is correct.

Mr. JACKSON. That is the basis on which Congress acted in the first instance.

Mr. SWANSON. It is to prevent the facilities of interstate commerce being used in connection with the violation of State law.

Mr. JACKSON. That is right. Therefore, it only applies in those States where they have a State law dealing with this subject. If the State has not passed a State law on this subject of control of production, you would not have authority to prosecute anyone in that State.

Mr. SWANSON. Yes.

Mr. JACKSON. I just thought I would bring that out.

Mr. KIRWAN. All right.

Mr. JENSEN. I might ask just one more question.

EFFECT OF INSUFFICIENT STAFFING

Can you cite a specific case where the Government has suffered because of lack of personnel in your Department?

Mr. SWANSON. Well, sir, in the enforcement of the Connally Hot-Oil Act you might describe it something like a short-order restaurant or something. There is always one case on the fire, and there is always another case waiting to move on, and in the back there are more. Wherever we conduct a field investigation almost invariably we have found violations, so that if we had a larger staff we would find more violations, very definitely, because we have many cases that are pending waiting investigation.

Mr. JENSEN. More than you could handle with the force you have?

Mr. SWANSON. Very definitely; yes, sir. In many instances we have to wait 6 months to a year before we can start an investigation.

Mr. KIRWAN. Is that all?

Mr. JENSEN. Yes; that is all.

Mr. KIRWAN. All right, gentlemen; thank you very much.

Mr. STEWART. Thank you, sir.

POWER AND ENERGY STUDIES, NEW ENGLAND AND NEW YORK

WITNESS

REGINALD C. PRICE, DIRECTOR, DIVISION OF WATER AND POWER

Amounts available for obligation

Appropriation or estimate:
1953 ..... $50,000

Obligations by activities

New England-New York power studies:
1953 ..... $50,000

Obligations by objects

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions			7
Full-time equivalent of all other positions			1
Average number of all employees			7
Average salaries and grades:			
General schedule grades:			
Average salary			$5,090
Average grade			GS-8.2
01 Personal services:			
Permanent positions			$30,810
Part-time and temporary positions			4,545
Regular pay in excess of 52-week base			125
Total personal services			35,480
02 Travel			6,000
03 Transportation of things			1,000
04 Communication services			500
05 Rents and utility services			2,000
06 Printing and reproduction			220
08 Supplies and materials			800
09 Equipment			4,000
Obligations incurred			50,000

Analysis of expenditures

	1951 actual	1952 estimate	1953 estimate
Obligations incurred during the year			$50,000
Deduct unliquidated obligations, end of year			5,000
Total expenditures			45,000
Expenditures out of current authorizations			45,000

Mr. KIRWAN. The next estimate is that for "Power and energy studies, New England and New York."

The estimate for 1953 is $50,000. No appropriation was made in 1952.

Have you a statement you care to make, Mr. Price?

Mr. PRICE. I have a statement I would like to make to you. I am Reginald C. Price, Director of the Division of Water and Power.

The Secretary is absent, Mr. Chairman, and the Under Secretary, Mr. Searles, who had intended to be here this afternnon, asked me to present his apologies to you. In the absence of the Secretary, the Under Secretary is not free this afternoon on account of other matters of great urgency.

GENERAL STATEMENT

I want to present to you the request for $50,000 for power and energy studies to enable the Department of the Interior to carry out the responsibility put on it by Congress in connection with its participation in power studies as part of the New England-New York Inter-Agency Committee Survey and Report.

The proposed activities which this appropriation will make possible will not differ from the participation of the Department in similar surveys in other parts of the country, where it is providing other Federal agencies, responsible for hydroelectric plants at river basin projects with the information necessary to meet the requirements of Congress in regard to the marketing of power.

BASIS FOR PARTICIPATION

The legal basis for the Department's participation in this investigation is set forth in an opinion of the Solicitor of the Department of the Interior, dated May 16, 1951, which has not previously been presented before this committee and I am laying it before you, Mr. Chairman.

(The opinion referred to is as follows:)

MAY 16, 1951.

Memorandum—
To: The Secretary of the Interior.
From: The Solicitor.
Subject: Power study in the New England-New York area.

This responds to an oral request for my comments on the question whether the Department of the Interior has statutory authority to conduct a study of the marketing of electric power in the New England-New York area.

I believe that this question should be answered in the affirmative.

The following is a statement of the factual background respecting the question previously stated:

By section 205 of Public Law 516, Eighty-first Congress, the Department of the Army has been vested with authority to make investigations and surveys of the

watersheds in the New England States. On October 9, 1950, the President requested the Department of the Interior and five other Federal agencies to conduct a comprehensive study of the land and water resources in the New England-New York area, preparatory to the making of recommendations for the development, utilization, and conservation of such resources. The President suggested the establishment of an interagency committee, under the chairmanship of the Department of the Army, to conduct this study. In a letter dated October 21, 1950, the Secretary of the Army requested the Department of the Interior to participate in the study, in accordance with the letter of the President dated October 9, 1950.

The proposed study by this Department of the marketing of electric power in the New England-New York area is a phase of the comprehensive investigation involved in the President's request, a ssupplemental by the communication dated October 21, 1950, from the Secretary of the Army.

In view of the facts outlined above, the statutory authority of the Department of the Interior to make the proposed study of the marketing of electric power in the New England-New York area is derived from two sources: (1) it is implied in section 5 of the Flood Control Act of 1944 (58 Stat. 887, 890, 16 U. S. C., 1946 ed., sec. 825s); and (2) it is expressly stated in section 3 of the Flood Control Act of 1917 (39 Stat. 948, 950, 33 U. S. C., 1946 ed., sec. 701).

I

Section 5 of the Flood Control Act of 1944 constitutes the Secretary of the Interior as the marketing agency to dispose of the electric power generated at reservoir projects under the control of the Department of the Army. The Secretary's functions under the section must be performed in accordance with certain standards prescribed by Congress in the section. These standards are as follows: he must so dispose of the power as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles; he must give preference to public bodies and cooperatives in the disposal of the power; and, at the same time, he must recover the cost of producing and transmitting the power, including the amortization of the capital investment allocated to power over a reasonable period of years. Specific authority is conferred upon the Secretary of the Interior to construct or acquire necessary transmission lines and related facilities in order to accomplish the objectives of the section.

The Secretary cannot carry out these statutory responsibilities adequately without first obtaining, among other things, detailed knowledge of the marketing characteristics of the areas which are under consideration for Army reservoir developments. The marketing characteristics of the areas to be served, together with the financial (i. e., pay-out) requirements which must be met, are important factors to be considered in the planning of power facilities, because these factors necessarily affect the design, location, capacity, and other characteristics of the generating and impounding facilities themselves, as well as affecting the design, location, capacity, and other characteristics of the transmission facilities.

Thus, the Secretary's studies and investigations respecting the marketability of power from Army reservoir projects should, from the standpoint of planning effective power operations in connection with such projects, be made before the projects are constructed, and even before they are approved by the Congress. It could hardly have been the intention of Congress that the Secretary of the Interior should be denied an opportunity to submit, upon the basis of studies and investigations made by personnel under his supervision, timely recommendations respecting those phases of proposed Army reservoir projects which relate to the functions imposed upon the Secretary by section 5 of the Flood Control Act of 1944.

It follows, therefore, that for the proper discharge of his responsibilities under section 5 of the Flood Control Act of 1944, the Secretary of the Interior must secure basic data on power marketing in those areas respecting which the Army engineers are conducting surveys looking toward possible reservoir developments, and that such data should be secured in sufficient time so that they may be brought to the attention of the Department of the Army, as the agency primarily responsible for the planning of the impounding and generating facilities, for the Department's consideration as it develops, for presentation to the Congress, comprehensive plans for reservoir and other water-control projects. It being necessary to secure such information in order for the Secretary to carry out his responsibilities, under section 5 of the Flood Control Act of 1944, the authority to secure the information is embraced within that section. It is a basic principle of statutory construction that, where a statute imposes a duty, it carries with it, by implication, the authority to take all reasonable measures necessary to the

effectuation of the prescribed activity (*United States* v. *Kelly*, 55 F. 2d 67, 70 (2d Cir., 1932)).

Accordingly, this Department, subject to the availability of funds for the purpose, has implied authority under section 5 of the Flood Control Act of 1944 to conduct a study of power marketing in the New England-New York area, by way of supplementing and complementing the flood-control survey of the Department of the Army in that area, so that an adequate plan for the development of the water resources of the area for electric power, as well as for other purposes, can be presented to the Congress for consideration.

II

In addition, an express statutory authorization for this Department to assist the Army engineers in their investigation of the water resources of the New England-New York area is continued in section 3 of the Flood Control Act of March 1, 1917 (39 Stat. 948, 950, 33 U. S. C., 1946 ed., sec. 701).

The 1917 act is the basic statute which adapts the general laws looking toward the improvement of rivers and waters for navigation to investigations for flood control and allied purposes. It provides that "All examinations and surveys of projects relating to flood control shall include a comprehensive study of the watershed or watersheds," and that a flood-control report shall contain, inter alia, data regarding "the extent and character of the area to be affected by the proposed improvement * * * [and] the possible economical development and utilization of water power * * *."

The statute then contains the following significant language:

"And the heads of the several departments of the Government may, in their discretion, and shall upon the request of the Secretary of War [now the Secretary of the Army], detail representatives from their respective departments to assist the engineers of the Army in the study and examination of such watersheds * * *".

It is clear from the statutory language quoted immediately above that, even in the absence of the letter dated October 21, 1950, from the Secretary of the Army, the Secretary of the Interior would have had discretionary authority to assign representatives of the Interior Department for the purpose of assisting the Army engineers in their study and examination of watersheds in the New England-New York area. However, if there were any doubt on that point, the request from the Secretary of the Army would certainly provide, under the statutory language quoted above, a legal basis for this Department to collaborate with the Army engineers in their survey of watersheds within the New England-New York area, by making a study of the marketing of electric power in that area.

MASTIN G. WHITE, *Solicitor.*

Mr. PRICE. Briefly the authority and obligation thus to participate in the investigation of the watersheds of the New England-New York States are contained in section 3 of the Flood Control Act of March 1, 1917, which is the basic statute for systematic flood control investigations and improvements on a river basin basis.

In order to avoid duplication of work and in order to coordinate the services of the Department of the Interior under section 5 of the Flood Control Act of 1944, the Secretary is authorized to assist the Army engineers in their investigations and is required to do so when requested by the Secretary of the Army.

In addition, there is a directive of the President which, though not creating a new authority in the Secretary, does furnish the occasion for exercising the existing authority given and an obligation prescribed by act of Congress.

The President's letter dated October 9, 1950, and the letter of the Secretary of the Army dated October 21, 1950, have also been submitted to you, Mr. Chairman.

ACTION LAST YEAR

Mr. KIRWAN. Last year, we had 21 pages of printed testimony in the House and 20 pages of printed testimony in the Senate on an esti-

mate for the same purpose. The item was not approved for 1952 because Congress thought there was no authorization for an appropriation. There has been no legislation enacted in the meantime and I believe the committee has sufficient information on the item without further testimony.

AUTHORITY OF SECRETARY

Mr. PRICE. I would like to point out that at the time this matter was discussed before this committee last year, that presentation assumed a rather limited scope with respect to the authority of the Secretary in this connection. Subsequent to the time when it was discussed before this committee, the Solicitor was requested for his opinion and that opinion, which is before you, points out that the authority of the Secretary to carry on this power study in New England is based both upon the explicit authority in the act of 1917 and upon implicit authority in the Flood Control Act of 1944.

Not being a lawyer, I am not endeavoring to gild the lily, but the Solicitor's opinion which is before you does present the Department's view.

Mr. KIRWAN. At this point, you may insert in the record that part of your general statement which you have not presented and the justification submitted to the committee.

(The matter referred to follows:)

Congress, by enacting section 5 of the Flood Control Act of 1944, made the Secretary of the Interior responsible for marketing electric power generated at river basin projects under the control of the Department of the Army.

The purpose of Congress was explicitly to encourage the most widespread use of such power at the lowest possible rates to consumers consistent with sound business principles. Rates are to provide full recovery of the cost of producing and transmitting the power, including amortization of the capital investment. To accomplish this purpose, Congress wrote into the Flood Control Act specific directions to the Secretary of the Interior as to the conditions under which he should market the power.

The conditions established by Congress do not permit a simple sales transaction at each Government dam because one of the objectives is to avoid monopolization of the power. As a result, the Secretary of the Interior is required to adapt the marketing procedure to the circumstances in each part of the country in which power from Government projects becomes available.

In each part of the country in which marketing activities are under way, much of the power is being sold to private power systems, or through interchange arrangements with private systems, or through use of private transmission facilities under wheeling contracts. But in every case the method of marketing the power is carrying out the intent of Congress to protect the people against monopoly of their hydroelectric resources and at the same time is bringing lower electric rates.

The development of a sound marketing program, adapted to the conditions of each region, requires thorough technical studies and the results of these studies must be available to the agencies planning river basin projects if the plans for power development are to be completely adapted to the marketing requirements established by Congress.

The $50,000 item requested will provide for a small staff to carry out the responsibilities of the Secretary as above outlined in connection with the New England-New York interagency survey. The staff will be responsible for integrating the Department's power marketing studies with the survey and planning activities of the Corps of Engineers and the Federal Power Commission. This integration will be directed to enabling these agencies to consider alternative possibilities for the use of power sites, installations at such sites, and combinations of sites, all in terms of alternative plans for marketing the surplus power under the policy established by Congress.

Specifically the variations in marketing approach, which the Department would study in terms of their adaptability to the New England-New York situation, would include (*a*) power development in part by non-Federal agencies under

license and in part by the Corps of Engineers' (*b*) sale of power from projects developed by the Corps of Engineers to wholesale customers, both public and private, with delivery to load centers, at voltages as required by the individual customer; (*c*) interconnection of two or more Corps of Engineers' projects by federally constructed transmission lines in order to coordinate federally developed power for sale to agencies specified by Congress; (*d*) marketing of power through wheeling, firming up, or other types of contracts including recognition of the preference provision established by Congress; (*e*) sale of power directly to vital industries for production of critical metals or to Federal installations.

These are essential technical studies which the Department of the Interior, as the marketing agency, must make in order to assist the Corrp of Engineers and the Federal Power Commission in carrying out their responsibility for planning the best utilization of the region's hydroelectric resources under the flood control act. The undeveloped hydroelectric potential in this area is substantial, amounting to some 6,500,000 kilowatts.

The contemplated work will complement the power market surveys of the Federal Power Commission, which does not have the responsibility for considering the important problems arising out of the marketing policy established by section 5 of the Flood Control Act of 1944. Technical studies based on these marketing considerations will provide the Corps of Engineers and Federal Power Commission with data to be used in connection with their analysis of water flows, reservoir rule curves, and other water characteristics as a basis for joint decisions on size of generating units, scheduling of units, scheduling of water, and plant load factor, in which the marketing agency must participate.

The interest of the people of the New England-New York area in securing an effective program under the flood control act is great. The region is generally characterized by electric rates which are among the highest in the country. A committee of New England economists, in its 1951 Report on the New England Economy, prepared for the Council of Economic Advisers, found high power costs among the region's cost disadvantages. In certain cases, the committee found, this has had the effect of encouraging outward migration of industry, discouraging establishment of new industry, and restricting the growth of existing enterprises.

Rural electric cooperatives and municipal power systems, serving a very considerable population in the region, are paying higher rates for their wholesale power supply than similar agencies are paying in other parts of the country where the Interior Department is marketing power under the policy established by Congress. They have expressed themselves by resolution, adopted at a meeting in Albany, N. Y., May 25, 1951, as heartily supporting the work of the New England-New York Inter-Agency Committee.

The Governor of the Commonwealth of Massachusetts, in his 1952 annual message to the legislature, emphasized the interest of the State in low-cost hydroelectric power which may be developed as a result of the survey.

In the case of the New England-New York Inter-Agency survey, the report will cover the full program, including all potential hydroelectric developments, prior to the authorization or construction of any single multiple-purpose project including power development. For this reason, it is strictly in accord with the action of Congress in other regions that the Department of the Interior be provided with funds necessary to enable it to make its contribution to the power studies of this area.

The 1953 fiscal year will be the year of heaviest technical work for the New England-New York Inter-Agency Committee. Furthermore, no funds were made available for this work in the departmental appropriation for fiscal year 1952. This means that the Department will require somewhat larger funds to keep pace with the other cooperating agencies in the power aspects of the survey than the $35,000 requested for the 1952 fiscal year. The requested appropriation of $50,000 will provide for a staff of four engineers and three administrative personnel. The total funds allotted are $35,480 for personal services and $14,520 for contingent expenses.

JUSTIFICATION

Under section 5 of the Flood Control Act of 1944 (16 U. S. C. 825s) the Secretary of the Interior is given the responsibility for marketing the excess power and energy generated at Corps of Engineers multiple-purpose projects. This power is sold at rates which will return the investment to the Treasury amortized over a specified number of years and includes interest at the going Federal rate. Preference in the sale of this power is given to public bodies and cooperatives.

The New England-New York staff of the Division of Water and Power will carry on the Secretary's power marketing responsibilities in this area. The staff will be responsible for the integration of the Department's power marketing pro-

gram with the survey and construction programs of the Corps of Engineers and the Federal Power Commission. This integration would be directed to enabling these two agencies to consider alternative possibilities for use of power sites, installations at such sites, and combinations of sites and the possible results of alternative plans for marketing the power.

Specifically the variations in marketing approach which the staff would study in terms of their adaptability to the New England-New York situation would include (*a*) power development in part by non-Federal agencies under license, and in part by the Corps of Engineers; (*b*) sale of power from projects constructed by the Corps of Engineers, to wholesale customers, both public and private, with delivery to load centers or at the site as required by the individual customer; (*c*) interconnection of two or more Corps of Engineers projects by federally constructed transmission lines in order to coordinate federally developed power; (*d*) marketing of power through wheeling, firming up or other types of contracts, including recognition of the preference provisions established by Congress; (*e*) sale of power directly to vital industries, for production of critical metals, or to Federal installations.

These are essential studies which the marketing agency should make to assist the Corps of Engineers and the Federal Power Commission in dealing with the broad questions of utilizing the region's hydroelectric potentialities as part of the interagency survey, in order to best benefit the area and the country.

Authority for this work is contained also in section 3 of the Flood Control Act of March 1, 1917 (33 U. S. C. 701), which contains the following provision:

"And the heads of the several departments of the Government may, in their discretion and shall upon the request of the Secretary of War, detail representatives from their respective departments to assist the engineers of the Army in the study and examination of such watersheds, to the end that duplication of work may be avoided and the various services of the Government economically coordinated therein."

The 1953 fiscal year will be the year of the heaviest workload for the New England-New York Inter-Agency Committee, since all field and basic work preparatory to assembling the report must be completed. For this purpose it is proposed to have a staff of engineers employed for the necessary electrical and marketing studies, together with clerical assistance. The total budget request is $50 000 of which $35,480 is for personal services for a staff of seven, and $14,520 is for contingent expenses. There follows in detail a statement of the estimate:

	1953 estimat e
Personal services:	
Grade:	
GS–13: Engineer, electric	$8, 360
GS–11: Engineer, electric	5, 940
GS–11: Engineer, hydroelectric	5, 940
GS–9: Engineer, electric	5, 060
GS–7: Administrative assistant	4, 205
GS–4: Clerk-stenographer	3, 175
GS–3: Clerk-stenographer	2, 950
Total of positions	35, 630
Deduct estimated lapses	4, 820
Net total permanent positions	30, 810
Temporary or WAE employees	4, 545
Cost of extra day over 260	125
Total personal services	35, 480
Other objects:	
02 Travel	6, 000
03 Transportation of things	1, 000
04 Communications	500
05 Rent and utility services	2, 000
06 Printing and binding	220
08 Supplies	800
09 Equipment	4, 000
Total other objects	14, 520
Total budget	50, 000

The estimate includes $1,400 for 1 passenger motor vehicle.

Mr. KIRWAN. Do you want to ask any questions, Mr. Jensen?

Mr. JENSEN. I think the matter is pretty well decided and, as far as the gentleman appearing before this committee is concerned, it is just as the chairman says. We certainly have been told that the President says we want no new starts. And as the chairman has just related, we have $11 billion worth of projects already authorized by Congress lying on the shelves for which we can do nothing. As we understand it, your power facilities are just as adequate in that section of the country as they are in others. In fact, more so than they are in other sections of the country where we do have to appropriate for facilities of this nature.

REQUEST OF ENGINEERS

I see little purpose in carrying on the hearings any further. I might ask: Have the Army engineers requested the Interior Department to cooperate in this study?

Mr. PRICE. The letter of the Department of the Army requesting the participation of the Department of the Interior is included in the record.

Mr. KIRWAN. Yes. But he asked you, Did the Army engineers request the Interior Department?

Mr. PRICE. Yes, sir. We have a letter from the Army engineers also. I shall be glad to present it.

Mr. KIRWAN. Do they make a specific request that you cooperate in this study?

Mr. PRICE. They make a specific request that we cooperate in the studies in the New England–New York area.

Mr. JENSEN. They are naturally in duty-bound to do that since the original purpose was to have all the different agencies of Government have a hand in this matter. But so far as I know, the Army engineers have not brought any pressure on Congress to go into these studies, nor made any definite recommendations that we should have more power in that area, or anything else that might come under this heading.

Mr. PRICE. I think that is all, Mr. Chairman.

Mr. KIRWAN. All right, Mr. Price. Thank you.

94303—52—pt. 1——2

TUESDAY, JANUARY 15, 1952.

SOUTHEASTERN POWER ADMINISTRATION

WITNESSES

CHARLES W. LEAVY, ACTING ADMINISTRATOR
DALE D. LAMB, CHIEF, BRANCH SYSTEM PLANNING AND ENGINEERING
ANDREW D. BURT, CHIEF, DIVISION OF ADMINISTRATION

CONSTRUCTION

Amounts available for obligation

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate	$1,850,000	$381,500	$6,350,000
Proposed transfer to "Operation and maintenance, Southeastern Power Administration," to provide for pay increases		−16,000	
Prior year balance available		1,752,334	
Total available for obligation	1,850,000	2,054,834	6,350,000
Balance available in subsequent year	−1,752,334		
Carried to surplus, Public Law 136		−1,752,334	
Obligations incurred	97,666	302,500	6,350,000

Obligations by activities

Description	1951 actual	1952 estimate	1953 estimate
1. Construction in progress	$97,666	$302,500	$869,500
2. New construction and additions			5,480,500
Obligations incurred	97,666	302,500	6,350,000

Obligations by objects

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions		33	201
Full-time equivalent of all other positions			50
Average number of all employees	2	22	209
Average salaries and grades:			
General schedule grades:			
Average salary		$3,989	$4,105
Average grade		GS-5.9	GS-6.3
01 Personal services:			
Permanent positions	$14,788	$86,000	$672,500
Part-time and temporary positions			68,000
Regular pay in excess of 52-week base			2,500
Payment above basic rates			25,000
Payments to other agencies for reimbursable details		3,000	35,000
Total personal services	14,788	89,000	803,000
02 Travel	4,300	16,000	184,000
03 Transportation of things	3,468	16,000	110,000
04 Communication services	920	2,500	35,000
05 Rents and utility services	1,950	1,500	32,000
06 Printing and reproduction:			
Photographing		1,000	5,000
Other	2,121	3,000	15,000
07 Other contractual services	1,611	7,000	98,000
08 Supplies and material	9,916	7,000	38,000
09 Equipment	58,592	7,000	50,000
10 Lands and structures		152,500	4,980,000
Obligations incurred	97,666	302,500	6,350,000

Analysis of expenditures

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year		$46,421	$23,921
Obligations incurred during year	$97,666	302,500	6,350,000
	97,666	348,921	6,373,921
Deduct unliquidated obligations, end of year	46,421	23,921	2,373,921
Total expenditures	51,245	325,000	4,000,000
Expenditures are distributed as follows:			
Out of current authorizations	51,245	278,579	3,976,079
Out of prior authorizations		46,421	23,921

Operation and Maintenance

Amounts available for obligation

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate	$150,000	$200,000	$795,000
Proposed transfer from "Construction, Southeastern Power Administration," to provide for pay increases		16,000	
Total available for obligation	150,000	216,000	795,000
Unobligated balance, estimated savings	−335		
Obligations incurred	149,665	216,000	795,000

Obligations by activities

Description	1951 actual	1952 estimate	1953 estimate
1. System operation and maintenance		$26,700	$35,000
2. Power marketing		105,000	160,000
3. Purchase of power and rental of facilities			500,000
4. General administration	$149,665	84,300	100,000
Obligations incurred	149,665	216,000	795,000

Obligations by objects

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions	34	40	50
Full-time equivalent of all other positions			6
Average number of all employees	29	37	46
Average salaries and grades:			
General schedule grades:			
Average salary	$4,500	$4,930	$5,910
Average grade	GS–7.4	GS–7.5	GS–9.3
01 Personal services:			
Permanent positions	$97,969	$178,500	$234,000
Part-time and temporary positions			5,000
Payments to other agencies for reimbursable details	1,000	2,500	5,000
Total personal services	98,969	181,000	244,000
02 Travel	8,637	12,000	20,000
03 Transportation of things	2,774	1,500	5,000
04 Communication services	1,070	4,000	8,000
05 Rents and utilities	3,082	6,000	3,000
06 Printing and reproduction	230	1,000	1,000
07 Other contractual services	4,386	4,000	506,000
08 Supplies and materials	6,413	5,000	5,000
09 Equipment	24,104	1,500	3,000
Obligations incurred	149,665	216,000	795,000

Analysis of expenditures

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year	$31,760	$32,522	$47,522
Obligations incurred during the year	149,665	216,000	795,000
	181,425	248,522	842,522
Deduct unliquidated obligations, end of year	32,522	47,522	122,522
Total expenditures	148,903	201,000	720,000
Expenditures are distributed as follows:			
Out of current authorizations	117,143	153,078	672,478
Out of prior authorizations	31,760	32,522	46,922
Out of anticipated 1952 transfer for pay increases		15,400	600

Continuing Fund

Amounts available for appropriation

	1951 actual	1952 estimate	1953 estimate
Unappropriated balance brought forward			$2,166,805
Receipts		$4,030,000	9,300,000
Total available for appropriation		4,030,000	11,466,805
Covered into miscellaneous receipts		−1,813,195	−9,300,000
Appropriation		−50,000	
Balance carried forward		2,166,805	2,166,805

Amounts available for obligation

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate		$50,000	
Prior year balance available			$50,000
Total available for obligation		50,000	50,000
Balance available in subsequent year		−50,000	−50,000
Obligations incurred			

Mr. Kirwan. We will now take up construction, Southeastern Power Administration. The appropriation for this year is $318,500. The request for 1953 is $6,350,000.

PROGRAM OF POWER DEVELOPMENT OF CORPS OF ENGINEERS

The table on pages 17, 18, and 19 showing the program of power development of the Corps of Engineers will be inserted in the record at this point.

(The table is as follows:)

Program of power development (normal) by Corps of Engineers—Authorized projects excepting Cheatham [1] and Lower Cumberland [2]

Fiscal year	Name of plant	Unit No.	Initial operation calendar	Name-plate capacity of units (kilowatts)	Total capacity of units, end of each fiscal year (kilowatts)	Total cumulative installed capacity, end of each fiscal year (kilowatts)	Number of plants operating at end of each fiscal year
1949	Dale Hollow	0	January 1949	600			
		1	do	18,000			
		2	do	18,000	36,600	36,600	1
1950	Allatoona	1	January 1950	36,000			
		0	February 1950	2,000			
		2	May 1950	36,000	74,000	110,600	2
1951	Center Hill	1	December 1950	45,000			
		2	January 1951	45,000			
		3	April 1951	45,000	135,000	245,600	3
1952	Wolf Creek	6	October 1951	45,000			
		5	do	45,000			
		4	December 1951	45,000			
		3	March 1952	45,000	180,000	425,600	4
1953	Wolf Creek	2	August 1952	45,000			
	Clark Hill	1	October 1952	40,000			
	Wolf Creek	1	November 1952	45,000			
	Philpott	0	December 1952	600			
		1	do	6,700			
		2	do	6,700			
	John H. Kerr	1	do	12,000			
		2	do	32,000			
		3	do	32,000			
		4	do	32,000			
	Clark Hill	2	February 1953	40,000			
	John H. Kerr	5	May 1953	32,000			
	Dale Hollow	3	do	18,000			
	Clark Hill	3	June 1953	40,000	382,000	807,600	7
1954	John H. Kerr	6	July 1953	32,000			
		7	September 1953	32,000			
	Clark Hill	4	October 1953	40,000			
		5	February 1954	40,000			
		6	June 1954	40,000	184,000	991,600	7
1955	Jim Woodruff	1	July 1954	10,000			
		2	September 1954	10,000			
	Clark Hill	7	October 1954	40,000			
	Old Hickory	1	do	25,000			
	Jim Woodruff	3	November 1954	10,000			
	Old Hickory	2	February 1955	25,000			
	Carthage	1	March 1955	23,000			

See footnotes at end of table, p. 20.

Program of power development (normal) by Corps of Engineers—Authorized projects excepting Cheatham [1] and lower Cumberland [2]—Con.

Fiscal year	Name of plant	Unit No.	Initial operation calendar	Name-plate capacity of units (kilowatts)	Total capacity of units, end of each fiscal year (kilowatts)	Total cumulative installed capacity, end of each fiscal year (kilowatts)	Number of plants operating at end of each fiscal year
1955	Cheatham [1]	1	May 1955	12,000			
	Old Hickory	3	June 1955	25,000			
	Carthage	2	do	23,000	203,000	1,194,600	11
1956	Cheatham [1]	2	September 1955	12,000			
	Carthage	3	do	23,000			
	Old Hickory	4	October 1955	25,000			
	Carthage	4	December 1955	23,000			
	Cheatham [1]	3	January 1956	12,000			
	Celina	1	February 1956	21,600			
	Gathright	1	March 1956	17,000			
		2	do	17,000			
	Celina	2	May 1956	21,600	172,200	1,366,800	13
1957	Lower Cumberland [2]	1	July 1956	26,000			
	Salem Church	1	do	40,300			
	Celina	3	September 1956	21,600			
	Lower Cumberland [2]	2	October 1956	26,000			
	Salem Church	2	November 1956	40,300			
	Buford	1	December 1956	40,000			
	Lower Cumberland [2]	3	January 1957	26,000			
	Buford	2	March 1957	40,000			
	Lower Cumberland [2]	4	April 1957	26,000			
	Hartwell	1	do	60,000			
	Buford	0	June 1957	6,000			
	Howell Mills Shoals	1	do	40,000	392,200	1,759,000	18
	Lower Cumberland [2]	5	July 1957	26,000			
	Hartwell	2	do	60,000			
	Hartwell	3	October 1957	60,000			
	Howell Mills Shoals	2	August 1957	40,000			
		3	October 1957	40,000			
		4	December 1957	40,000			
		5	February 1958	40,000			

[1] Under construction, power authorization pending.
[2] Authorization pending, planning started in 1951.

NOTE.—Lower Cumberland No. 5, Hartwell, No. 2, and No. 3, and Howell Mills Shoals No. 2, No. 3, No. 4, and No. 5 scheduled in fiscal year 1958.

Mr. KIRWAN. Do you have a statement to make, Mr. Leavy?

GENERAL STATEMENT

Mr. LEAVY. Yes, sir. Mr. Chairman and members of the committee, I would like to preface my remarks by stating why I am here. I am Charles Leavy, chief counsel of Southeastern Power Administration, and Acting Administrator in the absence of the Administrator. Mr. Creim is ill and has been for several weeks and is unable to appear for that reason.

I would like, if I may, to read a rather short statement that Mr. Creim has prepared for this hearing. I believe that it will raise most of the problems that you gentlemen may have questions on. Then I can also later expand somewhat if some of this is dealt with too briefly.

This is the second annual appearance of the Southeastern Power Administration before this Appropriations Committee. Our estimates for the fiscal year 1953, which are now under consideration by this committee, total $7,145,000. Of this amount, $795,000 is asked for operation and maintenance expenses, and $6,350,000 for construction purposes.

It is our purpose in appearing before this committee to explain briefly what we are doing in the Southeast and how we are doing it. We wish to point out the results of things that have been done by us since our last request for appropriations, and we desire to outline the contemplated accomplishments which will result from your granting of our present requested appropriations.

INCREASES IN GENERATION CAPACITY AND POWER REVENUES

The development of Federal power in the 10 Southeastern States, for which we are the Interior Department marketing agency, has come a long way in the 21 months that Southeastern Power Administration has been in existence. During the fiscal year 1953, the amount of power generated at Federal reservoir projects in this area will increase significantly. At the present time, four hydroelectric power plants are producing 380,600 kilowatts; by the end of fiscal year 1953 three new projects will begin generation and capacity at two of the plants now in operation will be increased. This new generation will add 427,000 kilowatts to our marketing responsibility. Thus, by June 1953, our present generation will have been increased by over 100 percent to 807,600 kilowatts. It can be seen, then, that Southeastern Power Administration will continue to make a substantial contribution to the power supply of the 10 Southeastern States during the coming fiscal year.

These additions to the capacity that SEPA will be called upon to market will mean increasing revenues from the sale of power. I am sure that it will be of vital interest to each of you on this committee to learn about the substantial amounts of revenue that have been and will be deposited to the Federal Treasury as a result of SEPA's marketing activities.

The following tabulation shows the very significant increases that are being made each year in the amounts of revenue collected:

Fiscal year 1949	$295, 700. 00
Fiscal year 1950	1, 033, 881. 07
Fiscal year 1951	2, 458, 469. 50
Fiscal year 1952	[1] 4, 030, 000. 00
Fiscal year 1953	[1] 9, 300, 000. 00
Total	17, 118, 050. 57

[1] Estimate.

ACCOMPLISHMENTS OF SEPA SO FAR

The size of our marketing territory and the increasing amount of federally generated power therein suggest the complexity of our marketing arrangements. In carrying out the congressional policies of most widespread use of federally generated power and of lowest possible rates consistent with sound business principles, Southeastern must, by law, accord sales preference to public bodies and cooperatives which number over four hundred in the Southeastern States. We are, by policy, committed to an effort to use the excess capacity in existing privately owned transmission facilities wherever such use can be secured under agreements suitable to the Government. In our efforts to secure proper wheeling and firming arrangements, we must negotiate with at least 13 major private utility companies in our territory.

The task of establishing an equitable marketing program for this expansive area has occupied most of our attention during the short life of the agency. We have begun the collection in specific detail of the requirements of all of our potential customers so that we might treat them all fairly and equitably in our disposal of power. We have started to study the operation of the various Federal generating plants to determine how much power will be available and what benefits could result from an integrated operation of the various plants. We have begun to determine what federally owned transmission facilities are required to bring the power to market. Pay-out requirements of the various plants are being calculated in order that we might determine proper rates for the power we sell. And, finally, in accordance with the expressed wishes of the Congress, we have been seeking proper arrangements with the private utilities for the use of their surplus transmission facilities in bringing power to our preference customers.

METHOD OF OPERATION

This work of survey, calculation, study, and negotiation which we have undertaken since our last appearance before you has had to be performed under pressure—pressure caused by the fact that since the very first day of the agency's existence, there has been power on the line that needed to be marketed. Ordinarily, much of this so-called pick-and-shovel work would have been already accomplished before a marketing program was formulated. We have, with a small staff of 35 personnel, attempted to do both at one time by "greasing the wheel that squeaked" and thereby hold our marketing program together. Under this type of operation, we have, in the past 12 months, been able to sign a contract with one preference agency and memoranda of understanding with two preference customers.

But our marketing program will increase many fold before the end of fiscal year 1953. Right now Southeastern is actively negotiating a wheeling, firming, and sales contract with a major private utility

company. We are negotiating implementing contracts with 16 REA cooperatives in Virginia and North Carolina. Contracts with two Georgia cooperatives, two Florida cooperatives, and two Florida municipalities are under consideration. A major contract with a South Carolina preference agency is progressing. Truly, too many wheels are beginning to squeak at one time for proper attention to be given to all of them by our limited staff. Our proposals to expand our marketing program into a more smoothly operating one bring me directly to the first of our appropriation items, the $795,000 for operation and maintenance expenses.

OPERATION AND MAINTENANCE EXPENSES

We propose to use the $795,000 operation and maintenance request for carrying on four major activities. First, we plan to use $160,000 for power marketing activities which include negotiating contracts with preference customers for the sale of power and with private utilities for sale, exchange, and wheeling services. Also, this activity will include study and consultation with the Corps of Engineers to determine the generating capabilities of the power plants under various conditions and the quantities and kinds of power to be expected from the plants. System engineering investigations and feasibility studies must continue in planning transmission facilities to serve agencies who have expressed interest in securing power if our power marketing program is to be consistent with the congressional mandates of most widespread use at lowest possible cost.

Second, we intend to use $35,000 for system operation and maintenance. This includes the proper dispatching of power and water releases and scheduling of power sales from seven plants with a total combined capacity of 807,600 kilowatts.

Third, we propose to use $500,000 for the very essential purchase of power and rental of facilities. By firming up power generated at Government-owned hydro plants with privately generated steam power energy, it will be possible to increase revenues from these projects by increasing the available firm capacity. If we are to enter into proper wheeling agreements with private utilities in the area for the maximum utilization of excess capacity in their existing transmission systems in order to bring power to our preference customers, obviously funds will be required to pay these rental or wheeling charges for the use of the private systems. Without these funds or the establishment of a continuing fund to provide for satisfactory payment of wheeling and firming charges, Southeastern cannot place into actual operation any wheeling agreements that might be reached. Therefore, it is impossible to overemphasize the vital role that this requested appropriation for purchase of power and rental of facilities will play in the effective operation of our power marketing program.

Fourth, $100,000 of our operation and maintenance request will be used for the general administration incidental to our power marketing activities. Again, I emphasize the scheduled addition of 427,000 kilowatts to our capacity by the end of the coming fiscal year. Due to this considerable expansion in generating capacity, it can well be understood that administrative responsibilities will be increased accordingly and that a larger staff will be required to perform the additional workload.

From this analysis of our operation and maintenance request for $795,000, it can readily be seen that by far the larger portion, $500,000, is to be used for the purchase of power and rental of facilities to implement wheeling and firming agreements. Inasmuch as our operation in fiscal year 1952 did not require funds for this purpose, a hasty comparison of our requests for the two years might indicate something like a requested fourfold increase. Actually, the $295,000 now requested over and above the portion for purchase of power and rental of facilities is calculated to allow for only the very minimum of expansion in our operation and maintenance activities. When this amount is compared with the $200,000 allowed us by the Congress in fiscal year 1952, it must be remembered that increases in salaries voted by the Congress will account for a considerable portion of the additionally requested funds.

CONSTRUCTION PROGRAM REQUESTS

Southeastern has requested $6,350,000 for construction purposes during the coming fiscal year. By and large, these funds will be used for constructing new high voltage electric power transmission facilities from three projects which will come into operation during fiscal year 1953 and one project scheduled for operation the following fiscal year. This proposed transmission construction program is based on the need to transmit power from projects in three principal river basins of our geographical area. A discussion of our construction program by basins will facilitate your understanding of what we are proposing.

In the Roanoke River Basin where the John H. Kerr (Buggs Island) and Philpott projects will come into operation during the fiscal year, we have asked for $3,613,500 to construct 115-kilovolt lines to REA cooperatives' load centers in Virginia and to cooperatives and municipalities in eastern North Carolina. In addition, interconnections with the Virginia Electric & Power Co. and the Appalachian Power Co. are a part of this program.

The proposed facilities in the service area of the Virginia Electric & Power Co. deserve some comment. I am able to tell you today that we have, over the past few months, made considerable progress with the Virginia Electric & Power Co. in our negotiations to secure wheeling and firming for the John H. Kerr project. We are much nearer a final agreement today than we were several months ago when our budget for 1953 was formulated; however, we have not yet signed a contract.

The line we are proposing into eastern North Carolina is in the service area of the Carolina Power & Light Co. We have been unable to reach a satisfactory agreement for the transmission of federally generated power over this company's lines. They have offered only to purchase power at the bus bar for company resale to preference customers.

For the Savannah River Basin where the Clark Hill project will begin generation in October of this year, we are asking for $2,496,500, of which $869,500 will allow for the completion of a 41-mile 115-kilovolt line from the Clark Hill project to the Greenwood County Electric Power Commission.

The South Carolina Public Service Authority, a preference agency, is presently negotiating with Southeastern to purchase a substantial

block of Clark Hill power. Together with the allotment for the Greenwood County Power Commission, this will practically account for the portion of Clark Hill power that has tentatively been reserved for preference customers in South Carolina. The authority is now constructing a line from its load center at Aiken, S. C. to the project. The construction program we propose will include the necessary metering equipment and inspection services associated with the authority's construction of this line. In addition, because a large block of power cannot be delivered to the authority at just one load center, we have proposed construction of a 115-kilovolt line from Clark Hill to Batesburg, another load center of the authority. We are proposing a 230-kilovolt line to Hartsville which will serve still another load center of the authority and provide for interconnection with a major private power company. The final feature of our Savannah River Basin program calls for the construction of a 115-kilovolt line to Augusta, Ga., a principal load center of the Georgia Power Co.

In the Apalachicola River Basin, the Jim Woodruff project is scheduled for operation in July 1954. In anticipation of the need to move power away from the project at that time, we have requested $50,000 to begin survey work for land acquisition and design of a 115-kilovolt line running east from the project to the city of Tallahassee, Fla., and another 115-kilovolt line running northwest from the project to the Wiregrass REA Cooperative in southern Alabama. These lines would allow service to cooperatives and muncipalities in that area and provide interconnection with the Alabama Electric Cooperative, which serves five REA cooperatives and seven municipalities in southern Alabama, and interconnection with a major private utility as well.

In addition to the three basin programs of construction, we are asking $90,000 to begin preliminary engineering studies and investigations of proposed transmission projects in advance of specific appropriations for construction. These funds will be used for planning additional future facilities and for engineering studies to determine the engineering and financial feasibility for facilities to integrate the several operating Federal hydro plants and those Federal hydro plants under construction in advance of specific appropriation requests.

Our request for general plant is $100,000 which will be used to provide the agency with the essential equipment required in the construction program we have proposed.

An analysis of our proposed construction program will reveal that we have requested only 115 or 230-kilovolt backbone transmission lines from the projects to the load centers of our preference customers or to those of the principal private utility companies surrounding the projects in the three river basins. This, we believe, will provide for a transmission program which will allow us to serve the needs of our preference customers through a use of surplus capacity in the private companies' transmission facilities. Already, the construction of the necessary new lines to move power away from the projects has fallen behind the generation schedules. Therefore, if the preferential customers are to obtain the benefits from Federal projects to which they are entitled by law, it is both desirable and necessary that the construction program I have just outlined to you receive your favorable consideration.

SHORTAGE OF POWER IN THE SOUTHEAST

In your consideration of Southeastern's request for appropriations, I ask that you keep in mind the serious shortage of electrical capacity which is plaguing the Southeast today. Private and public officials concerned with the power program of that area have acknowledged that the generating reserves of the Southeast are pitifully short of the usual 15-percent reserve that sound operating procedure requires. In fact, during this past winter peak, the Southeast barely managed to squeeze by with virtually no reserve margin. The need for the new capacity Southeastern will have to market during the coming year is therefore obvious.

CONTRIBUTION TO NATIONAL DEFENSE AND ESSENTIAL CIVILIAN REQUIREMENTS

The area covered by Southeastern's power-marketing responsibility contains many vital defense establishments; its agricultural and industrial activities comprise a significant portion of the national productive capacity. In the Southeast as elsewhere, defense activities are now expanding. Their electrical-power requirements are increasing daily and will continue to grow. The single, most important fact to recognize today is that they are simply being added to a demand for power that long ago exceeded the region's own power supply. It may well be that the 807,600 kilowatts which Southeastern Power Administration will contribute to the over-all regional power supply by the end of fiscal year 1953 will spell the difference between success and failure in the Southeast during the critical days ahead.

A considerable portion of the new capacity that we will market will go to the REA-served farmers in the Southeast. Today, as their part of the defense effort, our farmers in the South are being asked to increase their total production even further to meet higher food goals. Because draft and defense jobs are pulling manpower away from the farms, the substitution of electrically powered equipment will be called upon to help perform this arduous task. We are glad that the power for which we have the marketing responsibility will contribute to the defense effort in this way. We know, that in addition to supplying farmers through the REA cooperatives, a portion of the 807,600 kilowatts SEPA markets will help to turn out the many materials so vitally needed for national defense and essential civilian requirements.

This appropriation request that I have outlined for you is, we believe, realistically formulated so that the statutory obligations under which our agency must operate can be efficiently and economically discharged. The request contains only a minimum program but one that is consistent with the applicable provisions of Federal law.

CONTRACTS AND MEMORANDA OF UNDERSTANDING

If I may, Mr. Chairman, I would like at this point to introduce into the record a copy of the contract which we have with the Greenwood Commission and memoranda of understanding with the South Carolina Public Service Authority and the Alabama Electric Cooperative.

Mr. KIRWAN. How large is it?

Mr. LEAVY. These are the complete documents. The memoranda are very short. The Greenwood contract is rather lengthy.

Mr. KIRWAN. It is lengthy. How much of the record will it take up? I do not want to make this record a foot high. You are the first agency appearing here.

Mr. LEAVY. Maybe it would be better if I would briefly outline the provisions of those contracts.

Mr. KIRWAN. It would be much better if you could do that.

Mr. LEAVY. All right, sir.

The memoranda of understanding have been entered into as preliminary agreements in proceeding toward definitive contracts with these agencies.

MEMORANDUM OF UNDERSTANDING, ALABAMA ELECTRIC COOPERATIVE

We have a memorandum of understanding with the Alabama Electric Cooperative, to which I referred in the statement, for the sale of 7,500 kilowatts of power from the Jim Woodruff project. The line from Jim Woodruff to Wiregrass would be used to perform under that memorandum of understanding, and to make those deliveries.

MEMORANDUM OF UNDERSTANDING, SOUTH CAROLINA PUBLIC SERVICE

The memorandum of understanding which we have with the South Carolina Public Service Authority calls for the delivery of 20,000 kilowatts of power at Aiken, S. C.; Batesburg, S. C.; and Hartsville, S. C. As I indicated in the statement, the Batesburg and Hartsville delivery points would be taken care of by our construction request for this year, and the Aiken delivery point would be taken care of by a line which the authority is now constructing.

The memorandum contains a provision for 20,000 additional kilowatts if the authority exercises its option to take that amount. It has exercised that option and we are now negotiating with them to increase that amount very, very substantially over the 40,000 kilowatts.

CONTRACT WITH GREENWOOD COUNTY ELECTRIC POWER COMMISSION

The contract which we have with the Greenwood County Electric Power Commission, which is a public agency of the State of South Carolina, that serves REA distribution systems, municipalities and some industrial loads in four counties of their area of South Carolina, provides for the delivery initially of 5,000 kilowatts with an option on the part of the Commission to increase that to 10,000, such delivery to be made at Greenwood, S. C. The contract was premised on our construction request last year for money for the line to Greenwood. It is apparent that Greenwood expects, and we also expect, that that load will increase very materially and very rapidly when Clark Hill power can be delivered there. I think the best indication of that is that the commission itself is installing 30,000 kilovolt-amperes of substation capacity at Greenwood. They have indicated that they expect their purchases to increase soon to 30,000 kilowatts, and wish to have an opportunity to amend their contract when that growth occurs.

I think that is a fair summary of those agreements.

COMPLETED CONTRACTS

Mr. KIRWAN. Those are two contracts you actually have signed?

Mr. LEAVY. We have a complete definitive contract with Greenwood. We have so-called memoranda of understanding with the South Carolina Public Service Authority and the Alabama Electric Cooperative.

Mr. KIRWAN. Those are the only two?

Mr. LEAVY. There are three.

Mr. KIRWAN. That is all you have so far in the Southeast?

Mr. LEAVY. That is all that are actually signed.

Mr. KIRWAN. They are actually signed and negotiated?

PROBLEMS OF NEGOTIATION

Mr. LEAVY. We have a good many others under negotiation. Our problem, of course, to some extent, has been the difficulty of taking care of all our many marketing problems and, to some extent, the question of where we will get with the private companies on wheeling. Until we know that, we are in no position with many of the preferred agencies, to contract with them.

As I indicated in the statement, we feel that our negotiations with Virginia Electric & Power have proceeded to the point that we can go ahead and start negotiating directly with the 16 cooperatives in the company's service area, and we are doing that right now.

ADDITIONAL FACILITIES

Mr. KIRWAN. Does your program include facilities to go beyond load centers, or will it be necessary to build additional lines beyond those programed if you do not obtain agreements?

Mr. LEAVY. Basically our whole program is based upon deliveries from the plant to load centers of the companies or the preference agencies.

EFFECT OF NEGOTIATION WITH VEPCO

Now, with respect to the Virginia situation, I think it is possible that if agreement is finally reached some of the facilities that we have been discussing might not be necessary. That would depend, of course, upon the final terms of the agreement.

We have proceeded a good way with that company, but there are still some unsolved matters. Of course, the departmental approval must also be secured. A review of our tentative agreements with VEPCO is now under way in the Department.

ATOMIC ENERGY COMMISSION POWER

Mr. KIRWAN. Are any of the lines in the Clark Hill area absolutely necessary to provide power for the Atomic Energy Commission activity in the area? If so, give us a few of the details.

Mr. LEAVY. May I go off the record, sir?

Mr. KIRWAN. Yes.

(Discussion off the record.)

DEFENSE PLANTS

Mr. KIRWAN. Are there any other defense plants in the southeastern area which will need, or now need, additional power which is not now available?

Mr. LEAVY. You may be familiar with the situation which has existed during the past few months down in the Southeast. There was for a considerable period of time an aluminum plant at Baden, N. C., which was out of production. I believe two pot lines were out for a time, and later one pot line. I believe that was in December.

For a rather considerable period of time there have been shut-downs of two large defense plants in the Charleston area due to the shortage of power. Those are specific instances of the existing situation there.

It appears that next year the situation may be even more critical.

ADDITIONAL EMPLOYEES

Mr. KIRWAN. In your construction program you are asking for 218 additional jobs. Briefly tell us what these jobs will be, how they are grouped by activity, and explain why you need so many.

Mr. LEAVY. I believe that the vast bulk of those additional jobs would arise from the initiation and continuation of the construction program. With your permission I would like for Mr. Burt to answer the question more specifically with respect to the nature of the jobs, although I believe they are mostly engineering personnel concerned with construction.

Mr. BURT. The majority of our new positions result from our construction program, of which there are approximately 80 of these positions in the survey section; materials, drafting, land, design, and inspection sections, 64 additional positions; and there are 25 additional positions in our administrative division to service these organizations, as well as approximately 12 positions in our sales and contract sections and our branch of rates and statistics.

With these new plants coming into operation we find it necessary to set up our Division of Operations, which accounts for some 15 or 20 additional positions.

Mr. KIRWAN. In the operating end of it?

Mr. BURT. Yes, sir; in the scheduling of operations of the plants.

Mr. KIRWAN. Do you think you need the 218 more for salesmen, administrative men and operating men?

Mr. BURT. That includes our construction personnel, too, sir.

Mr. KIRWAN. Your construction men are in the 218?

Mr. BURT. Yes, sir; it is included in the 218; 201 is our request.

CONSTRUCTION BY CONTRACTORS

Mr. KIRWAN. Is your construction being done by contractors?

Mr. BURT. Yes, sir; we contemplate that.

Mr. KIRWAN. What do your men do when the contractors are doing the construction work? Are they working as inspectors or something?

Mr. BURT. Yes, sir; inspectors, surveyors, et cetera.

Mr. KIRWAN. In other words, you are checking on the contractor?

Mr. BURT. That is right, sir.

Mr. KIRWAN. The contractor is doing the work, and the men you have connected with construction are checking the contractor to see that the Government gets a good job?

Mr. BURT. That is right; to see that the Government gets what it is paying for.

JIM WOODRUFF DAM

Mr. KIRWAN. Why can't the construction of transmission lines from the Jim Woodruff Dam be delayed in view of the fact that no power will be available until July of 1954?

Mr. LEAVY. It is our feeling that we can progress with this program in a more orderly way if we have money to begin the planning on the line so that when we request money for the actual construction we will be able to go right ahead. We still have only about two more years.

REQUESTED FUNDS FOR PLANNING ONLY

Mr. KIRWAN. The money for which you are asking now is for planning?

Mr. LEAVY. Planning and surveys.

Mr. KIRWAN. How much is the request for that line?

Mr. LAMB. There is $25,000 for each line.

Mr. KIRWAN. $25,000 for each line?

Mr. LAMB. Yes, sir.

Mr. KIRWAN. And it is strictly for planning?

Mr. LAMB. Yes, sir.

Mr. KIRWAN. There is no material, copper and other things, going into that?

Mr. LAMB. Planning and design only.

NECESSITY FOR LINES

Mr. KIRWAN. Are those two lines necessary? Is there any way that private utilities could put a line there?

Mr. LAMB. I believe the line is necessary to follow out the policy of the Department in delivering to load centers.

Mr. KIRWAN. You are just asking for it to deliver to the load centers?

Mr. LAMB. That is correct.

Mr. KIRWAN. The private utilities have made no objection? Have they made any offer to build one up in there?

Mr. LEAVY. I would like, in that connection, to explain the situation in that region with the private companies.

PROPOSALS OF PRIVATE COMPANIES

That is in the service area of the Southern Co. group which comprise the Georgia Power Co., Gulf Power Co., Alabama Power Co. and the Mississippi Power Co. We have proposed to them months ago that we enter into a wheeling agreement whereby we would deliver power to major load centers and use surplus capacity in their facilities from those major load centers to the preference agencies. However, that company, shortly after Southeastern was organized, made a proposal which does not provide for wheeling from which they

have not moved an inch. Their position has not changed at all. We have rejected the proposal.

They continue to discuss only their proposal, and they show no indication that they are willing to wheel at all. Their proposal is simply that they would buy all the power to be distributed in their service area from all of the Federal power plants in their area. They would buy it outright at the bus bar, and agree to resell to preferred agencies at some moderate mark-up over the price they paid the Government. They, however, are completely unwilling to wheel power and to let the Government contract directly with any of the preferred agencies. They have stated that they do not intend to give up any of their customers.

In effect what they are saying is that they are not going to permit any of those customers to become customers of the Government, even though they may wish to do so. It has been our interpretation of section 5 of the Flood Control Act of 1944 that the responsibility placed on the Secretary to transmit and dispose of power means that he should transmit power to preferred agencies who would be the Government's customers. It might be transmitted over the Government's own facilities or by using excess capacity in existing facilities if they are made available to the Government. We also feel that in stating that preference in the sale of such power shall be given to public bodies and cooperatives, Congress intended that these preferred agencies would have the opportunity to buy directly from the Government. That is fundamentally the issue between the Government and the Southern Co. group, simply the question as to whether they will be willing to give those preferred agencies a free choice in selecting their supplier.

In view of the company's unwillingness to wheel—as I say, that is the policy of the entire Southern Co. group, which covers much of this area around Jim Woodruff—we have had to go ahead with plans to serve agencies completely independently.

NECESSITY OF FACILITIES REQUESTED

I do not think we could say, if we had wheeling, that these facilities we are discussing here might still not be necessary, since they do involve an interconnection in both cases of a Federal generating plant with a preferred agency generating plant at a load center. Tallahassee has generating facilities. Alabama Electric Cooperative has generating facilities. There is serious question as to whether that integration of the facilities can be accomplished without the actual construction of facilities.

APPEARANCE OF MR. LEAVY

Mr. JACKSON. Mr. Leavy, I think this is the first time you have appeared before the subcommittee.

Mr. LEAVY. That is right, sir.

Mr. JACKSON. I want to congratulate you on your statement. Your father served on this subcommittee for quite some time. Coming as you do from the State of Washington I am proud of the fine statement you have made at this time.

POSSIBLE WHEELING AGREEMENTS

Have you offered the southern group of private utilities wheeling agreements similar or comparable to the agreements which have been signed by private utilities elsewhere, such as in Southwest Power and the Central Valley and so on?

Mr. LEAVY. Yes, we have, sir. I believe it might be helpful to the subcommittee if I would proceed from this discussion of the Southern Co. situation and tell you briefly not only about that situation but others, if you wish.

Mr. JACKSON. Yes, I wish you would touch on that.

PROPOSAL TO SOUTHERN CO. GROUP

Mr. LEAVY. At the time we rejected the proposal of the Southern Co. group, which was a year ago last September, we submitted them a draft of a specific wheeling proposal. The proposal was very similar to the agreement which was finally reached between the Bureau of Reclamation and the Pacific Gas & Electric Co.

As I stated before, there has been no discussion of our proposal; they have not been willing to discuss that. The major issue has been the question of their willingness to wheel at all. They are simply unwilling to wheel, and for that reason have not been willing to discuss our wheeling proposal.

NEGOTIATION WITH VEPCO

In the Virginia Electric & Power Co. area we likewise submitted a similar proposal at, I believe, about the same time. Since that time we have conducted rather extensive negotiations with that company and we feel quite optimistic about the possibility of ultimately reaching agreement with them. We have reached agreement on many matters. From the beginning of our negotiations the company said they were willing to wheel. The difficulties have been collateral matters, such as prices and technical matters of that kind. We do feel rather optimistic about that contract.

Mr. JACKSON. The Virginia Electric Power people have indicated that they are willing to wheel to your preferred customers?

Mr. LEAVY. They have.

Mr. JACKSON. The only problem that you have had to work on is the question of the charge to be made for wheeling and other details that would go into a contract?

Mr. LEAVY. That is right, sir.

Mr. JACKSON. But you reached a common understanding as to the basic principles?

Mr. LEAVY. The basic principles; yes, sir.

Mr. JACKSON. But that is not true elsewhere in the Southeastern Power Administration area?

Mr. LEAVY. That is correct, sir.

WHEELING NEGOTIATIONS WITH OTHER UTILITIES

With respect to the Carolina Power & Light Co., we had discussions with them almost a year ago, and at that time we submitted to them a proposal in the form of a brief summary of principles which were

based on the idea of wheeling, using existing facilities from load centers to the preferred agencies. That company has never replied, as a matter of fact, to that letter, until very recently.

As our VEPCO negotiations were progressing we felt that we might soon be able to take up another major negotiation. Then we wrote to the Carolina company and received a reply which indicated, I believe, some possibility of relaxation of their position, but certainly no offer to wheel, and no definite commitment to do anything more than they had previously said they would do, which was in effect to take the Georgia Power Co. proposal, and buy power outright at the bus bar and resell it themselves to preferred agencies.

The South Carolina Electric & Gas. Co. made the same proposal at the same time that Carolina Power & Light Co. made it—that they would also be willing to buy power outright at the bus bar and to resell to preferred agencies at some mark-up in the price they paid the Government.

Following the appropriation of funds for a transmission line to Greenwood, the South Carolina Electric & Gas Co. indicated they might be willing to wheel from Clark Hill to Greenwood for 1 mill a kilowatt-hour. We had some rather extensive discussions with the company on the whole subject of wheeling. At one time they indicated that they might be willing to accept the principle of system-wide wheeling, but it appeared that that position was premised on their ability to obtain something from the Clark Hill plant in the way of power that would be of benefit to them.

After some further discussions it developed that there were serious engineering questions as to whether Clark Hill power could be integrated into their system advantageously to them, since their major source of supply is a large hydro plant having operating characteristics similar to Clark Hill.

Further, in the course of those discussions it appeared that the preferred agencies in South Carolina were going to require everything available from Clark Hill for that area. As a result of that, those discussions terminated in a rather indefinite way. There was never any agreement reached at all on anything.

LINE TO GREENWOOD

Mr. JACKSON. You are building a line now to Aiken?

Mr. LEAVY. To Greenwood.

Mr. JACKSON. That is in the current bill?

Mr. LEAVY. That was in the current appropriation. We have performed some preliminary design work. We have done some line location work, and we are ready to start surveys on it.

Incidentally, I think I should point out that the company in discussing wheeling to Greenwood talked in terms of 1 mill a kilowatt-hour, but indicated that some moderate adjustment might be made at that rate. Our studies show that when the line is loaded, as we expect it to be very soon, our transmission cost will be somewhat less than three-tenths of a mill a kilowatt-hour.

I think that an additional problem which is involved is that the Greenwood Commission, even assuming that we could reach agreement with the company on wheeling, is not willing to accept that as a fulfillment of the Government's contract obligation to deliver at

Greenwood, since the Greenwood area is out of the service area of that company. I think the Greenwood Commission is reluctant to have a company build out of its service area directly into the commission's major load center.

Mr. JACKSON. How far is it to Greenwood from Clark Hill?

Mr. LEAVY. Forty-one miles.

INTEREST IN WHEELING CONTRACT

Mr. JACKSON. The company indicated an interest in a wheeling contract after the appropriation had been approved?

Mr. LEAVY. That is correct.

Mr. JACKSON. Prior to that there was no interest?

Mr. LEAVY. Prior to that they had used the word "wheel" but they had used that term in the context of their original bus bar buy-and-sell offer, so there was no proposal for true wheeling until there was an appropriation.

GREENWOOD PLANT

Mr. JACKSON. Is that a municipal plant at Greenwood?

Mr. LEAVY. It is set up under a special statute of the State of South Carolina and as such it serves a rather extensive rural system that it operates itself, REA-financed, and I believe two other REA cooperatives and some four municipals, including the city of Greenwood, and several industrial plants. It is a public agency.

Mr. JACKSON. It is a municipal corporation?

Mr. LEAVY. That is right.

Mr. JACKSON. Organized under the laws of the State of South Carolina?

Mr. LEAVY. Yes, sir.

BATESBURG AND HARTSVILLE LINES

Mr. JACKSON. The two other preferred customers were Batesburg and Hartsville. Are you proposing a line to Batesburg?

Mr. LEAVY. The Batesburg line would serve the South Carolina Public Service Authority.

Mr. JACKSON. That is also a public agency?

Mr. LEAVY. Yes, sir.

Mr. JACKSON. What is the length of that line?

Mr. LAMB. Forty-two miles.

Mr. JACKSON. The transmission line to be built—to which city is that?

Mr. LEAVY. Hartsville.

PRIVATE UTILITY TRANSMISSION FACILITIES

Mr. JACKSON. What transmission facilities do the private utilities have in that area? What size are the lines?

Mr. LEAVY. As I understand it, there are no 230-kilovolt lines in that area at all. There are transmission deficiencies in the area between Columbia and Hartsville. That line, of course, would also provide a portion of an ultimate interbasin tie, as other basins are developed in that general area.

PROPOSED LINE TO AUGUSTA

Mr. JACKSON. Is there a line proposed down to Augusta?

Mr. LEAVY. Yes, there is a line down to Augusta.

Mr. JACKSON. Are you asking for planning money on that?

Mr. LEAVY. No, we are asking for enough to complete that line.

Mr. JACKSON. How far is the line along? Have you actually started construction?

Mr. LEAVY. No, sir.

Mr. JACKSON. All the design and engineering work is complete?

Mr. LEAVY. No, nothing has been done. We would have to do the whole job during the next fiscal year.

Mr. LAMB. It is 24 miles.

Mr. JACKSON. Who is the preferred customer at Augusta?

Mr. LEAVY. The problem there is this: When Clark Hill comes into production it appears there will be some transmission lines into the State of South Carolina, but there will not be any substantial transmission from that plant to get power into load centers in the State of Georgia. We have picked Augusta as the closest major load center where we could move power immediately, when Clark Hill comes into production, into the Georgia area. It is a load center of the Georgia Power Co.

Mr. JACKSON. You would deliver to the Georgia Power Co.?

Mr. LEAVY. Assuming we could make a wheeling arrangement with them. As of now we have made no progress. If we are not able at that time to make a wheeling agreement the line would still bring Clark Hill power into a load center from which extensions could be made to REA's in the area and it would also be available, with a slight extension, to serve Camp Gordon and the Augusta Arsenal.

We have had some discussions with the Third Army on all their installations. While we have no specific agreements we do know that, based on the 1950 loads at Camp Gordon and the Augusta Arsenal, the Government would save in excess of $30,000 a year on their power bills merely for those two installations, if they were able to get service from Southeastern.

AGREEMENTS WITH FLORIDA POWER COMPANIES

Mr. JACKSON. On the Jim Woodruff Dam you have not been able to negotiate a wheeling agreement with the Florida utility. What is the private utility in Florida?

Mr. LEAVY. I think part of that is in the Southern Co. area. Part of it is in the Florida Power Corp. area.

Mr. JACKSON. The private utility serving in the Tallahassee area?

Mr. LEAVY. We have not been able to negotiate wheeling for service in that area. To be perfectly fair, we have not been able to progress with our negotiations to the point of discussing wheeling with that company.

Mr. JACKSON. What I am getting at, Mr. Leavy, is this: Is their policy in that area similar to the rest of the Southeast area; that is, they feel that they should take the power at the bus bar?

Mr. LEAVY. That is our impression.

Mr. JACKSON. And then distribute the power on a basis of the users being their own customers?

Mr. LEAVY. That is right, sir. I might also point out that even if we had wheeling with the Florida Power Corp., Tallahassee would probably be the delivery point to that company, since they are in there, and that is a major load center.

WIREGRASS LINE

Mr. JACKSON. What utility is the line to Wiregrass in Alabama for?

Mr. LEAVY. I believe that is through the Gulf and Alabama Power Co. areas, part of the Southern Co. group.

Mr. JACKSON. What is the distance from Jim Woodruff to Tallahassee, roughly?

Mr. LAMB. Forty-four miles.

Mr. JACKSON. And to Wiregrass?

Mr. LAMB. Forty-two. That Wiregrass line would have an additional purpose there, in that we could use it for integration between Jim Woodruff and Upper Columbia, when Upper Columbia which is an authorized project, is built. I think it is very definitely a line that we should build, just to get the benefits of integration out of it. We can also serve additional customers.

UPPER COLUMBIA PROJECT

Mr. JACKSON. How many kilowatts are involved in the Upper Columbia project?

Mr. LEAVY. I think it is on the order of 130,000. It is 130,000.

Mr. JACKSON. 130,000?

Mr. LEAVY. It is quite a large plant.

STATUS OF NEGOTIATIONS WITH POWER COMPANIES

Mr. JACKSON. Do you feel that you are fairly close to an agreement with the Virginia Electric Power people now?

Mr. LEAVY. I feel that we are quite close to an agreement. There are several rather important problems to be resolved. I am optimistic that we will be able to resolve them.

As I pointed out, we still want to get our review of the agreement in the Department. This is a basic contract in our program. I cannot predict whether or not the Department will raise questions.

Mr. JACKSON. Yes. Then from the John Kerr Dam down into North Carolina, what is the situation there with the Carolina Power people?

Mr. LEAVY. We have had no negotiations as such with them, and they have made a bus bar buy-and-sell offer. As I said, the latest communication from them, which was received in response to our last letter to them, indicated that they might be interested in talking to us about wheeling, but we have no reason to believe that we will get wheeling and I think that that line will be needed whether we get wheeling or not, because there are transmission facilities that must be built from the Kerr project if power from that project is to get down into that area of North Carolina. That line is again, basically, one to serve preference agency-load centers.

Operation and Maintenance

Mr. Jackson. Turning to operation and maintenance for a moment, Mr. Leavy, I notice that the requested funds have increased considerably over last year. I wonder if you could make a more detailed explanation of the need for this increase, with particular reference to the purchase of power and rental of facilities. Your assistant can make it, if you wish.

Mr. Leavy. We have a table here which we can place in the record, if you wish which shows the basis of our $500,000 request for funds for purchase of power and rental of facilities.

Mr. Jackson. Without objection that will be inserted in the record at this point.

(The document is as follows:)

Purchase of power and rental of facilities, 1953

John H. Kerr:	
Energy purchase, 55,000,000 kilowatt-hours, at 4 mills	$220,000
Rental of facilities, 173,000,000 kilowatt-hours, at 1.4 mills [1]	240,000
	460,000
Philpott:	
Energy purchase, 5,000,000 kilowatt-hours, at 4 mills	20,000
Rental of facilities [1] 15,000,000 kilowatt-hours, at 1 mill	15,000
	35,000
Total	495,000
Total purchase of power	240,000
Total rental of facilities [1]	255,000
Total	495,000

[1] Includes wheeling fees and rental of the facilities of others.

No requirements anticipated for wheeling and energy purchase for the Clark-Hill project in fiscal year 1953.

Estimates for purchase of power are based on an average water year.

Mr. Jackson. If you wish to comment on it you may.

Mr. Leavy. Briefly, our studies indicate that during the next fiscal year we will require no funds for wheeling payments and energy purchases in connection with the Clark-Hill project, but we will require substantial amounts for both purposes with respect to the Kerr project.

This table which we will put in the record breaks those amounts down, based on our estimates. In an average water year it shows that our requirements would be $495,000 for those purposes.

Savannah River Project

Mr. Jackson. While I was out of the room, Mr. Leavy, I believe you made a statement off the record in connection with the power requirements at the Savannah River project. I think it would be helpful if you could prepare a statement which could be properly cleared for the record of this committee. That is something I think you should take up with the engineers and with the AEC. I am on the Joint Committee on Atomic Energy, of course.

Mr. Leavy. Yes.

Mr. JACKSON. I think that you can do that very properly.

Mr. LEAVY. I will do that, sir.

Mr. JACKSON. Be sure to check it with the engineers and with the Atomic Energy Commission.

(The statement is as follows:)

NEGOTIATIONS BETWEEN SOUTHEASTERN POWER ADMINISTRATION AND ATOMIC ENERGY COMMISSION FOR SERVICE TO THE SAVANNAH RIVER PROJECT

Approximately a year ago the Atomic Energy Commission met with the Administrator of Southeastern Power Administration to discuss the general aspects of a power supply for the atomic energy, Savannah River plant, located in South Carolina.

Shortly after this meeting, the du Pont Co., as agents for the Atomic Energy Commission, contacted Southeastern Power Administration as part of their overall investigation in connection with this power supply. At that time the du Pont Co. indicated they were interested in an offer from Southeastern for a very substantial quantity of power. Southeastern submitted an offer to supply all or any part of this power to the extent of Southeastern's capabilities. This proposal involved the construction of transmission facilities directly from Clark-Hill power plant to the Savannah River project and the use of the Government's proposed Clark-Hill-Aiken 115-kilovolt line for deliveries of power to the Savannah River project.

A short time later, the du Pont Co. informed Southeastern their power requirements from an outside source had been revised downward considerably, and requested an offer be made by Southeastern for supplying this new amount. Southeastern submitted an offer, based on this new amount.

About a month later, the du Pont Co. contacted the Administrator of Southeastern by telephone, and informed him of further revision downward in power requirements from outside sources, and another draft of a proposal was transmitted to the du Pont Co., based on this new load estimate. Approximately one month later, Southeastern was again informed by telephone of a further reduction in requirements.

In September 1951, the du Pont Co. informed the Administrator of Southeastern by telephone of further reductions in power requirements from outside sources. These requirements were estimated to be not in excess of 15,000 or 20,000 kilowatts. The Administrator confirmed this telephone conversation by letter on November 6, 1951.

Subsequently the company wrote Southeastern that they expected to secure all their purchased power from a subsidiary of South Carolina Electric & Gas Co.

Mr. JACKSON. Off the record.

(Discussion off the record.)

USE TO BE MADE OF CONTINUING FUND

Mr. JACKSON. Mr. Leavy, do you propose the use of the continuing fund for the purpose of purchasing power and the payment of rentals?

Mr. LEAVY. This appropriation request which you have before you does not contemplate that. As you will recall, last year that was the proposal.

Mr. JACKSON. Yes; but that is not contemplated here?

Mr. LEAVY. That is not contemplated by this year's request. I might point out that by doing this by a direct appropriation we get into certain difficulties. Our estimates are based on an average water year. If we should have a critical water situation we might be in the position of being forced to come back before this committee with a supplemental request.

Mr. JACKSON. Mr. Jensen, do you have any questions?

PURPOSE OF REQUEST

Mr. JENSEN. As to this $500,000, which you are asking to purchase power and for rental of facilities, which you have just been talking about, do you propose to use that to purchase power, to lease lines, or to lease the output of REA power?

Mr. LEAVY. There has been no proposal of that kind. This specific appropriation has in view the likelihood that we may reach agreement with Virginia Electric & Power Co. It would involve not an actual lease of lines but the payment of a wheeling fee for wheeling service, and the purchase of excess steam energy from that company. We have had no proposals of any kind that we have discussed with anyone which involved taking the entire output of any plant. It has simply been the case of trying to buy surplus energy available in a plant which may be useful in firming Government power.

Mr. JENSEN. You do not propose to use this $500,000, or any part of it, in the same manner that Southwest Power is proposing to use its continuing fund to purchase power?

Mr. LEAVY. No; we do not have that in mind.

Mr. JENSEN. You have no intention of even giving that a thought?

Mr. LEAVY. Well, I believe, as Mr. Creim explained last year, we have seen no arrangements of that kind, potential arrangements of that kind in our area that will work out. We are not concerned with that.

Mr. JENSEN. That thing has given us plenty of headaches, and we do not want to get started with that kind of business in the Southeastern Power Administration. That is why I wanted to make sure that there was no intention to use this $500,000, or any part of it, as it is proposed being used in the Southwestern Power Administration.

PUBLIC SERVICE AUTHORITIES

Now, you used the word "Authority." Is that a public power authority?

Mr. LAMB. Public service authority.

Mr. JENSEN. Where do you have an authority?

Mr. LEAVY. The Santee-Cooper project is operated by what is known as South Carolina Public Service Authority. It is a State agency set up by South Carolina law.

Mr. JENSEN. I see.

Mr. LEAVY. They are a major power agency in that State.

Mr. JENSEN. But that is a State authority?

Mr. LEAVY. That is right, sir.

Mr. JENSEN. It is not a Federal authority?

Mr. LEAVY. No, sir.

Mr. JENSEN. Mr. Kirwan and Mr. Jackson have gone into this thing quite thoroughly, regarding the lines which you propose here.

FLORIDA POWER COMPANIES

Now, will you state for the record whether or not the power companies in Florida have expressed a willingness to enter into wheeling contracts and to build the necessary transmission lines to wheel this power to preferred customers and other users which will make it un-

necessary for the Government to build lines. Have the Florida private power companies expressed a willingness to do that?

Mr. LEAVY. No, sir; they have not expressed such a willingness.

I would like to also point out it is my understanding that if they were so willing to wheel, the Tallahassee line would be necessary to make deliveries into their system.

LINES FROM JIM WOODRUFF DAM

Mr. JENSEN. You propose to run a line from Jim Woodruff to Tallahassee. What will that line cost, complete?

Mr. LEAVY. Mr. Lamb, will you answer that, please.

Mr. JENSEN. You have a certain amount of money in here for the fiscal year 1953. How much you will need to complete the line through the years.

Mr. LAMB. The Jim Woodruff-Tallahassee total estimated cost is $1,284,000.

Mr. JENSEN. What are you asking in 1953?

Mr. LAMB. We are asking for $25,000 for planning.

Mr. JENSEN. Just for planning?

Mr. LAMB. For planning purposes only, sir.

Mr. JENSEN. And the line from Jim Woodruff to Wiregrass, what is the total for that line?

Mr. LAMB. $1,144,000.

Mr. JENSEN. What are you asking this year?

Mr. LAMB. $25,000.

Mr. JENSEN. You are asking $25,000?

Mr. LAMB. That is a total of $50,000 for that basin.

ALABAMA POWER COMPANIES

Mr. JENSEN. I believe you testified that the private power companies in Alabama were not interested in wheeling contracts.

Mr. LEAVY. That is right, sir.

Mr. JENSEN. They want to purchase the power at the bus bar and Jim Woodruff?

Mr. LEAVY. Their original proposal on behalf of the entire Southern Co. group was to purchase at the bus bar from all the Federal plants in their service area, which includes Jim Woodruff.

CONSUMER RATES

Mr. JENSEN. What rates do they propose to charge their consumers?

Mr. LEAVY. I might say that they have suggested a rate, but of necessity they would have to purchase at a rate that we set in accordance with the law and which was approved by the Federal Power Commission. They would then add a charge to that rate.

Mr. JENSEN. Naturally.

Mr. LEAVY. And what they have talked about would be a relatively moderate charge, but it would be an addition to the Government's regular rate.

Mr. JENSEN. They would have to do that, of course. After all, you know they pay taxes—local, State, and Federal taxes—which we must not forget.

The P. G. & E., purchases all the power from Shasta Dam in California, and it is very satisfactory to all, especially the taxpayers.

Mr. LEAVY. However, as I understand it, they do wheel power to the Government's customers, and the Government is able to contract directly with preferred agencies.

Mr. JENSEN. That is right; they do.

Mr. LEAVY. That is the objection to the Southern Co. proposal.

Mr. JENSEN. All right. Now, you are building the line to Greenwood from Clark Hill at the present time?

Mr. LEAVY. Yes, sir.

Mr. JENSEN. That money was provided in last year's bill. But you are asking for another line to Augusta, and one to Batesburg and one to Hartsville.

SOUTH CAROLINA UTILITIES' WILLINGNESS TO WHEEL

Have the South Carolina private utilities indicated that they were willing to build those lines and enter into wheeling contracts comparable to other contracts which private utilities have entered into with the Government?

Mr. LEAVY. As I stated, they have indicated some willingness to discuss the general principle of wheeling. However, our discussions terminated when it appeared there would be nothing in the way of power supply in the Clark Hill plant which would be available to them, or that would be usable by them.

In response to a direct question at one of our meetings, they stated that they could not say whether they would be willing to accept the principle generally of wheeling if they were not able to get anything out of Clark Hill plant in the way of power supply.

LINES IN CLARK HILL AREA

Mr. JENSEN. Do the private utilities have transmission lines now in existence running to Batesburg and Hartsville and Augusta?

Mr. LEAVY. There are no substantial transmission lines out of the Clark Hill area at all. There will be 280,000 kilowatts there. Something on the order of six to eight new transmission lines will be required to be built by someone. Existing facilities are completely incapable of taking that amount of power out.

Mr. JENSEN. Are the private utilities building additional transmission lines now?

Mr. LEAVY. To my knowledge they are not building any additional transmission lines, except that I believe the South Carolina Electric & Gas is rebuilding a portion of the line from a plant which they have on the Savannah River, out of that area a short distance. But there are no new transmission lines under construction, so far as I know.

SAVANNAH RIVER

Mr. JENSEN. Where is Savannah River? Please point it out on the map?

Mr. LEAVY. Yes. It is right down here [indicating].

Mr. JENSEN. Please specify it by location. In the testimony "here" does not mean anything.

Mr. LEAVY. The major portion of it is the State line between South Carolina and Georgia.

HARTWELL DAM

Mr. JENSEN. And it runs from the North Carolina line down to Hartwell Dam. What is the status of that dam.

Mr. LEAVY. Hartwell Dam is a dam which has been authorized for Federal construction. The Corps of Engineers have done a considerable amount of planning. Actual construction has not yet been started.

Mr. JENSEN. It has been authorized?

Mr. LEAVY. Yes, sir.

Mr. JENSEN. How far is the preplanning along?

Mr. LEAVY. It is my understanding that the planning is quite well along. If money were available they would be in a position to initiate construction rather promptly.

Mr. JENSEN. How many kilowatts will that produce?

Mr. LEAVY. 180,000.

Mr. JENSEN. How many kilowatts will Clark Hill produce?

Mr. LEAVY. 280,000.

Mr. JENSEN. 280,000. Do you anticipate that when those two hydro power dams come into production that South Carolina will be pretty well fixed for power?

Mr. LEAVY. Well, based on the load estimates that are being made it appears that there is going to be a need for every kilowatt that can be produced. It is our belief that, with respect to all these Federal projects, as soon as the power can be produced it can be used in the area.

PRIVATE UTILITY CONSTRUCTION

Mr. JENSEN. Are the private utilities building any steam plants in South Carolina at the present time?

Mr. LEAVY. South Carolina Electric & Gas has just completed, I believe, a new steam plant near Charleston. They are proposing a new steam plant somewhere in the Aiken area.

Mr. LAMB. It is near Augusta.

Mr. LEAVY. Near Augusta.

Mr. JENSEN. Is that the steam plant that you propose to run your transmission line to, to interconnect with the private power output?

Mr. LEAVY. No. At the time we originally proposed these lines to Aiken and Batesburg and Hartsville one purpose, of course, was to get into load centers where we could interconnect with the company, but at that time I do not believe that this new plant of theirs near Augusta was in the picture. It has come into the picture as a result of other developments.

Mr. LAMB. We have a possible point of interconnection at both Aiken and Batesburg to South Carolina Electric & Gas. I think their steam plant will be located somewhere near Augusta.

Mr. JENSEN. What does private industry have at Hartsville? Do they not have a steam plant in that vicinity?

Mr. LEAVY. No.

Mr. LAMB. Carolina Power & Light up in that area have a steam plant.

Mr. LEAVY. Hartsville is in the Carolina Power & Light Service area, and the line would permit interconnection with them. It is also on the transmission system of the South Carolina Public Service Authority. Through that connection and the Authority's system it would provide a connection with the steam plant the Authority is building at Santee-Cooper.

TRANSMISSION INTO GEORGIA

Mr. JENSEN. You are planning no transmission into the State of Georgia?

Mr. LEAVY. The Augusta line is in the State of Georgia.

Mr. JENSEN. It parallels the State of Georgia, does it not?

Mr. LEAVY. Yes, sir.

Mr. JENSEN. It is practically on the line between Georgia and South Carolina.

Mr. LEAVY. That is right.

VIRGINIA AND NORTH CAROLINA FACILITIES

Mr. JENSEN. Moving up to Virginia and North Carolina, at the present time you are building no transmission lines from Kerr Dam?

Mr. LEAVY. That is correct.

Mr. JENSEN. That is the old Buggs Island Dam, which was renamed the Kerr Dam?

Mr. LEAVY. Yes, sir.

Mr. JENSEN. In honor of our good colleague, Mr. Kerr. I was happy to see that dam named in his honor.

Now, I believe you said a short time ago that you were negotiating with Virginia Light & Power, and that you had high hopes of a satisfactory agreement between VEPCO and the Government.

Mr. LEAVY. That is right, sir.

Mr. JENSEN. Should that contract be negotiated, then, of course, a number of those lines, if not all of them, would not be necessary. That is, we would not be required to appropriate for them.

Mr. LEAVY. That is right, sir. Unquestionably some of those facilities would not be necessary. It is possible that some of them might be, but all of them would not be.

Mr. JENSEN. At this time, could you tell the committee what lines would be necessary even though you would enter into a contract with VEPCO?

Mr. LEAVY. I do not believe I could, for this reason: That will depend on the final terms of the agreement and the points at which delivery is made to the company.

Mr. JENSEN. Now, about North Carolina, what is the situation there?

NEGOTIATIONS WITH CAROLINA POWER & LIGHT CO.

Mr. LEAVY. The situation there is that we have had no negotiations with the Carolina Power & Light Co. We have had no expression of willingness on their part to wheel for the Government. They did make a bus bar buy-and-sell offer about a year ago.

If we are able to get a wheeling agreement with them, it still appears that some facilities must be built by someone from Kerr Dam into

that general area. It was our thought in proposing this transmission line that we could tie in with them at Goldsboro, which is a major load center on their system, and from that point use their facilities to get to preferred agencies.

Additionally, that line would serve the purpose of interconnection at Rocky Mount, Wilson, and Kinston, with the systems of each of those municipalities. Each of those municipalities operates its own system, and has rather substantial steam-generating facilities. There is some opportunity there for interchange and integration of these facilities with those of the Federal Government.

Mr. LAMB. We have a possible interconnection at Kinston with the Tidewater Power Co.

MARKETING OF POWER

Mr. JENSEN. You would not attempt to market any power except at wholesale.

Mr. LEAVY. That is right. If I understand your question, there would be nothing but a wholesale sale involved. There would be no attempt to go beyond the transmission to the load center and the sale at wholesale.

PLANS FOR FUTURE LINES

Mr. JENSEN. Do you have plans for further expansion of your power lines after 1953?

Mr. LEAVY. Well, if it developed that we ended with no wheeling agreements in that area there would clearly have to be some further expansion to serve preferred agencies. If we have satisfactory wheeling agreements with those companies in those areas we will need only the major backbone transmission lines from the power plants to load centers.

LINE CAPACITY

Mr. JENSEN. What is the lightest transmission line you have designated?

Mr. LEAVY. 115,000 volts.

Mr. JENSEN. What is the size of your transmission line to Tallahassee and Wiregrass?

Mr. LEAVY. 115,000.

Mr. JENSEN. And from Clark Hill to Hartsville and Augusta and Batesburg?

Mr. LEAVY. Augusta and Batesburg are 115 kilovolts; Hartsville is 230.

Mr. JENSEN. I presume most of your lines in Virginia and North Carolina are 230, are they not?

Mr. LEAVY. No, sir; those are all 115.

Mr. JENSEN. They are all 115?

Mr. LEAVY. That is right, sir.

Mr. JENSEN. Well, that size hardly comes within the category of a backbone line, according to my thinking at least.

Mr. LEAVY. I believe they actually are comparable to the 230-kilovolt lines you find in the West. They serve the same purpose of getting the blocks of power from the dam to the load centers. I think the distinction here is that generally we are dealing with somewhat smaller blocks of power. These projects are not as large as the Shasta, Grand Coulee, and Bonneville projects.

Mr. LAMB. They are mostly closer to the load center, too.

Mr. LEAVY. Yes.

Mr. JENSEN. Do you propose at some future time to tie Hartsville and Goldsboro together with a transmission line?

Mr. LEAVY. I think that should be regarded as a distinct possibility. We have done no studying or planning on it. That is one reason we are requesting some money for that general purpose.

There are potential projects—none of which, however, are authorized—in that general area between Hartsville and Goldsboro on the Pee Dee and Yadkin Rivers. If those projects develop it might be extremely desirable to integrate the operation of those plants in that area with the Savannah Basin and the Roanoke Basin. As I say, we can regard it as a distinct possibility. We have not made any studies to permit us to give a complete answer.

CONSTRUCTION OF DAMS IN CAROLINAS BY ENGINEERS

Mr. JENSEN. Are the Army engineers building any dams in the northern part of South Carolina and North Carolina?

Mr. LEAVY. No; they are not building any. There are none authorized. I do know that there have been studies made on their part which show that there are some potential projects in that area.

Mr. JENSEN. What about the private utilities; are they building any hydroplants in that area?

Mr. LEAVY. Not to my knowledge, sir.

ATTEMPTS TO ENTER INTO CONTRACTS

Mr. JENSEN. The last question I have is this: Is the Southeastern Power Administration making a determined effort to enter into contracts with private utilities in the Southeastern Power area which will make it unnecessary for Congress to appropriate taxpayers money for transmission lines if the Southeastern Power and private industry can get together?

Mr. LEAVY. I can say we are making every effort to enter into proper wheeling agreements with the companies in that area. I think the best evidence of that is that there is no question that we have spent more time and manpower in this past calendar year on our VEPCO negotiations than any other two or three single jobs in our office. There have been periods of weeks when most of the time of the Administrator and myself and numerous other staff members of our small group have devoted their time exclusively to those negotiations.

Mr. JENSEN. Would you say that the officials of VEPCO have been working with you in the proper manner to negotiate a wheeling contract?

Mr. LEAVY. I would say very definitely so. We have had our differences of opinion, of course, but they accepted at the outset the principle of wheeling. They have been negotiating, we feel, honestly and in good faith.

Mr. JENSEN. Thank you. That is all, Mr. Chairman.

Mr. JACKSON. That will conclude the testimony on the Southeastern Power Administration.

SOUTHWESTERN POWER ADMINISTRATION

JANUARY 24, 1952.

WITNESSES

DOUGLAS G. WRIGHT, ADMINISTRATOR
GEORGE J. NEIGHBORS, CHIEF, DIVISION OF SALES
HENRY W. BLALOCK, ASSISTANT TO THE ADMINISTRATOR
WILBUR P. KANE, BUDGET OFFICER

Mr. KIRWAN. The committee will come to order. We have with us the Southwestern Power Administration this morning, and Mr. Douglas Wright, the Administrator, is here.

The appropriation for 1952 is $4,630,712. The request for 1953 is $5,650,000, an increase of $1,019,288.

Mr. Wright, if you have a general statement to make, we will be glad to hear it at this time. Then we will take up the separate items.

GENERAL STATEMENT

Mr. WRIGHT. Mr. Chairman and gentlemen of the committee, the budget estimate of the Southwestern Power Administration for construction of transmission facilities is $4,150,000. There is included in this amount $1,130,000 for liquidation of obligations incurred in past fiscal years under contract authority granted by the Congress; the balance of $3,020,000 constitutes program requirements for fiscal year 1953. The estimate includes funds for virtual completion of transmission facilities authorized by the Congress in appropriations for 1951 and carried on by appropriations for 1952. You will recall that the Administration proposed no new starts in 1952. The completion of these facilities will provide the minimum requirements to interconnect Federal generation and transmission with systems of cooperatives and private utilities to bring power and energy to load centers in Oklahoma and Missouri from Federal power producing projects.

ONE NEW START PROPOSED

A single new start is proposed. You are no doubt aware that initial generation has been scheduled in fiscal year 1953 by the Department of the Army of 45,000 kilowatts at Fort Gibson Dam in Oklahoma. The Public Service Co., of Oklahoma, a private utility with whom we presently have a contract for purchase and sale of electric power, and the Grand River Dam Authority, a public power agency of the State of Oklahoma, have indicated a desire to purchase a part of the power and energy generated at Fort Gibson Dam. In order that the Administration may deliver power to both parties at voltages consistent with their present and potential facilities, construction is proposed for a short inter-tie line from the dam to Okay, Okla., and a step-down substation from 154 kilovolts to 110/66 kilovolts. The estimate also includes funds for construction plans, construction of a dispatching and warehouse building at Springfield, Mo., and for equipment.

OPERATION AND MAINTENANCE

The operation and maintenance program will expand materially in 1953. The number of miles of transmission lines will increase from 966 in 1952 to 2,770 and the number of station facilities from 9 in 1952 to 100 in 1953. The estimate for this program is $1,500,000 as compared with $1,255,712 appropriated in 1952. The estimate includes, however, two items which do not represent actual increases over 1952: a transfer of $90,483 covering basic engineering and administrative costs previously financed within the construction appropriation and $61,010 for pay increase costs completely absorbed during fiscal year 1952. The actual increase over 1952 is $92,795, of which approximately 80 percent is for direct labor for operation and maintenance of the Federal system.

PURCHASE OF POWER AND RENTAL OF FACILITIES

This is the first year that we have appeared before you to specifically justify the use of funds from the continuing fund for the purchase of power and rental of transmission facilities. I would like to emphasize my support and agreement to this requirement as written into the appropriation act of 1952. The estimate for these purposes is $1,425,000 as against $250,000 for 1952. The increase stems from increased power purchases from private utilities under operation of our contractual relationships and purchases from cooperatives as well as rental payments for use of transmission facilities owned and constructed by cooperatives.

CONTRACT IN WESTERN MISSOURI AREA

The conference report on the Interior Department Appropriation Act, 1952, directed the Secretary of the Interior to negotiate with private utilities to obtain a contract in the western Missouri area. The Secretary authorized the Administration to undertake such negotiations, and they have been underway for the past several months. A proposed contract with 12 major utility companies will be submitted very shortly to the Secretary for review by his power staff and for his approval. The execution of this contract will provide for complete integration of the system of this Administration with practically all of the major utility companies of the southwest.

I might say that since the completion of that statement that contract has been presented to this Secretary informally for his comments and suggestions prior to the completion of final negotiations.

POWER SITUATION IN THE SOUTHWEST

I would like now to implement my statement by a brief résumé of the power situation in the Southwest as it exists so that the committee can see how the appropriation requested is definitely fitted into the over-all power picture as it has developed.

One picture is probably worth a thousand words, and for that reason I would like to call the committee's attention to these two maps which we have prepared and which are behind me here, to indicate the power status of the Southwest.

The basic underlaying lines on the map are the existing lines of private utility companies.

The heavy blue lines running roughly from the Denison Dam in Oklahoma and Texas, up into southeast Missouri are lines for which this committee and the Congress have appropriated funds to build, as the basic grid of the SPA system.

The brown lines shown in western Oklahoma, western and central Missouri, and northwest Arkansas, are systems being constructed by generating and transmitting cooperatives who have arrangements with the Government for the leased operations of their systems over a period of 40 years.

I will point out a little later by indicating the existing transmission lines on the map, the reason why those lines were constructed, mainly, because there are not any lines in those areas adequate for the power needs of the area.

POWER SITUATION IN TEXAS

Now, calling the committee's attention to Texas, which has been the pattern which Southwestern has followed in its development of power in the Southwest, you will note that in Texas there is a large and extensive system some 200 miles long and some 75 miles wide, shown here by these heavy green lines. All of these lines are owned and operated by generating and transmission cooperatives and have been completed during the last 5 years. The cooperatives own a steam plant located at Belton, Tex., and it has a contract with the Government under which they purchase 10,000 kilowatts of power from Denison Dam and there is an interchange arrangement with the Texas Power & Light Co., so there is complete integration with five private utility systems in the adjacent area.

We have in Texas complete power integration which we are trying to extend to the Southwest.

You gentlemen are aware that no private utility from Texas has ever appeared before this committee in connection with an appropriation requested by us. We have the problem solved in southwest Texas in the contract now under operation.

The power situation in southeast Texas and the Gulf States area will be solved in exactly the same fashion if the 12-company contract is executed.

We are now serving in Texas every silver dot that you see here on this map, and these silver dots represent service to some 150,000 farm people and potential integration with a system serving some 250,000 more in Oklahoma.

POWER SITUATION IN OKLAHOMA

We are now serving through our contracts with the private utilities every REA cooperative in the eastern part of Oklahoma not served by the Grand River Dam.

There are 55 towns in Oklahoma that own their own generating plant and their own distribution system. We are now serving under contracts with the Oklahoma companies 10 percent of those towns and municipalities. We expect gradually through the years, as the power needs increase and as we have power available, that the re-

mainder of the towns will buy from us at least their peak requirements, so that there will be a complete integration in Oklahoma.

The Oklahoma companies are beginning to deal with the western cooperatives in western Oklahoma for the use of the lines and interconnections and there is every reason to believe that you will have the same picture in western Oklahoma that has existed already for 5 years in central Texas.

Oklahoma, thanks to the Southwestern Power Administration and the foresight of you gentlemen, now represents the potential area of reserve power capacity in the Southwest, power which can be moved to any other power-shortage area in the Southwest. Right at this immediate moment, the Defense Electric Power Administration is carrying out plans for the displacement of the power from the Oklahoma area down to the Texas area, as far south as Houston, over the lines which you gentlemen had the foresight to provde.

This line is known as the Denison-Norfolk tie line and there is no other way that the power shortage currently so serious in Texas can be relieved except through that line and the interchange with the Denison Dam.

Arrangements are now being worked out to complete that, and since I have been here in town for this hearing concerning our appropriation the power people have called me in respect to an aluminum plant being constructed in Texas. The power supply for that plant will not be ready as soon as the aluminum plant is ready and this ability to displace power in 1953 over the lines which you gentlemen provided in Oklahoma will carry this Texas aluminum plant until their lines are ready.

I am also happy to report that a tentative agreement has been arrived at through which the Arkansas Power & Light Co. and the Government will work hand-in-hand in the State of Arkansas. We have completed tentative power supply arrangements for a large new aluminum plant in Arkansas.

So, gentlemen, all of this is possible because we have worked continuously for the power integration in the Southwest and also equally because you people have had enough faith in us to give us the necessary money and authority to accomplish the objective.

POWER FURNISHED

Just to give you a general picture of the power in the Southwest, we are now serving every silver dot on this map, representing roughly 400,000 people; some 90,000 in Oklahoma, some 50,000 to 60,000 in Arkansas, and some 70,000 in Missouri, and with some 150,000 with the peaking set-up in Texas. Practically all of them have contracts with us. We have contracts also to serve the yellow dots on this map. They represent 400,000 kilowatts of REA load and 300,000 kilowatts of load of towns that have their own generating plants. That makes 700,000 kilowatts.

In addition to that we have just committed, as I have said, 150,000 kilowatts for aluminum operations in Arkansas.

There is at least 150,000 kilowatts and possibly 300,000 kilowatts of Government loads in SPA area.

So, our problem in the Southwest is this, where do we get this power capacity and how can we fit it with the capacity there now, to get the most out of it for everybody?

NEGOTIATIONS UNDER WAY

As I said, we are proud to announce that since we have been here last year, we were authorized to undertake negotiations with the private utilities companies in the Southwest. We undertook negotiations wtih all who wished to talk with us.

There were 15 companies that carried on negotiations lasting 3 to 4 months.

Out of the 15, one of them was purchased by a company that has tentatively agreed to enter into a contract with us.

Two of them in Kansas, located in the area around Wichita and possibly 50 miles within the State of Kansas, have indicated that they are not willing to enter into this arrangement. However, they are aware of it and if they ever desire it, there is an agreement that they can accept.

The other 12 companies have filed letters. I have them in my possession. Those letters tentatively agree to the drafted contract. I want to present a draft of the contract to the committee for its information, but I do not think that it is proper that it go into the record. It is purely tentative, but it represents a tentative agreement with 12 companies who cover all of Missouri, all of Arkansas, all of Louisiana and the southeastern corner of Texas which, of course, completes the Southwest area in its entirety and this will oe the oasis of an integration that will lead to power use undreamed of, gentlemen, in the Southwest.

This tentative agreement has been presented informally to the Secretary of the Interior for his comments and suggestions before we complete final negotiations on it.

The agreement has been taken up with committees and groups representing all preferred customers in the Southwest and with groups representing all private interests in the Southwest.

The preferred customer group in a meeting at New Orleans by resolution unanimously approved the execution of this contract either in its present state or amended as future negotiations would be carried out.

That is the general power picture in the Southwest. We are in the very fortunate position of being in a place where we have 10 places to use very kilowatt-hour we have. You gentlemen appreciate that situation. We have no problem to find markets for our power.

We will be able to serve with the execution of this contract any preferred customer in the Southwest who wants this power to the extent of the power capacity and energy that we have available. We will be able to offer this power and energy to serve any new industry located anywhere in that area.

In conjunction with the companies, it is my judgment that we will be able to offer as attractive a power situation as can be found anywhere in the world except the Pacific Northwest—and if they give us the Columbia River, we will tackle that one, too.

PROBLEM OF TRANSMISSION

We have this bad problem in the Southwest. We have three new dams coming in the next year—Fort Gibson, Tenkiller Ferry, and the Whitney Dam in Texas. There have been no new dams started in the Southwest for 4 years.

We have a large block of power loads coming in and no plans for the extension of that capacity.

If we do not have additional power capacity available by 1957, in my judgment we will be short of power and the area will suffer greatly because it will not have available the right amount of hydro to go with steam and we will be out of balance, in our power picture.

This is recognized by everybody and I am glad to see that two dams, Table Rock and Blakely Mountain have been declared vitally necessary to the defense effort.

I told this committee nearly 4 years ago in response to questions from Mr. Norrell that it is my best judgment that the Government will ultimately construct in this area a transmission system of its own for approximately $30,000,000 or $40,000,000.

We now have invested in the Southwest through the appropriations you have made or from appropriations to be made, $22,500,000 in transmission facilities.

REVENUES OF SOUTHWEST POWER ADMINISTRATION

Since 1945, we have, up through November 1952, returned to the Treasury $11,680,000. That is a return against the investment that we have made for you.

I would like to introduce into the record a tabulation of these revenues by years.

Mr. KIRWAN. That may be included in the record.

(The table referred to is as follows:)

Receipts from the sale of electric power and energy for the fiscal years 1945–51 and from July 1 to Nov. 30, 1951

Fiscal year	Gross receipts	To continuing fund	Net receipts applicable for repayment
1945	$508,000.88	$100,000.00	$408,000.88
1946	1,260,304.73		1,260,304.73
1947	1,442,641.48		1,442,641.48
1948	1,521,171.46		1,521,171.46
1949	1,660,683.62		1,660,683.62
1950	1,980,551.65	278,765.24	1,701,786.41
1951	2,267,095.29		2,267,095.29
1952 (July to November)	1,039,685.09		1,039,685.09
Total	11,680,134.20	378,765.24	11,301,368.96

FUTURE REQUESTS

Mr. WRIGHT. In my judgment, from now on the Southwestern Power Administration, with the execution of the 12-company contract, which I have every hope and reason to believe will be successfully worked out and executed, with the execution of that contract we will be asking this committee only for the necessary transmission

lines to interconnect and integrate dams; to interconnect and integrate very large load centers, which all utilities in the area will be completely in agreement with and to extend service to areas where there are no transmission lines, such as here [indicating on map], from Center to Garrison and from Dibol to Corrigan, both of these extensions being requested by Texas companies.

JUSTIFICATION OF LINES EXISTING NOW

And now, gentlemen, in justification perhaps of the faith that you had in us, I would like to show you another map.

For years I was sure that transmission lines were needed where we asked for them. I do not know that I have ever properly demonstrated that before, but I think that I can demonstrate it to you today more or less in retrospect with the requests that we made.

If you take a look at the map here, our main transmission lines are the basic tie from the Denison Dam to the Norfolk Dam, and the main transmission line we have made arrangements to use are in southern and western Oklahoma.

I have prepared a map showing you all the transmission lines of 69 kilovolts or higher, presently existing.

Now, if you look at southern Oklahoma, you will see that almost the only transmission lines there are the ones that the Government has built.

Also, if we look at southwest Oklahoma, you see that there almost the only ones are the ones which the cooperatives have built.

I want to tell you gentlemen that before we get through in Oklahoma the private utility companies will be moving in and using those facilities to a far greater extent than either the Government or the cooperatives will use them.

Of course, there will be proper arrangements made for using them and proper reimbursements for their use.

The same thing is true in the area in northwestern Arkansas here [indicating], in which a cooperative has proposed a transmission line. There are, in this area, a few heavy transmission lines close to the Oklahoma line and there are no transmission lines other than this one from here [indicating], all of the way over to, or almost to Batesville, Ark.

Now, gentlemen, there is always a reason why people want to build lines, and that is this: I think that the companies will in the future, maybe not yet, but in the future they will see the wisdom of that thing and will use those lines just as they have been using them for 5 years down in Texas.

FACILITIES IN MISSOURI

Now, gentlemen, I wish you would take a look at Missouri on this map. Here is the western Missouri project, running from Mansfield over to Springfield and over to Carthage, Mo.

If you look here in Missouri [indicating], you see that there is not a single transmission line in this area all the way to the Mississippi River, a distance of some 250 miles, where there is not a single line of over 69 kilovolts.

Now, there are people living in Missouri and they need power over there as badly as the people need it in western Missouri. Likewise,

north from the Arkansas line all the way up to the Union Electric Co. line north of Rolla, a distance of some 150 miles, there is not a single 69-kilovolt transmission line. As a matter of fact, there is not a single private power company operating in that area.

The operation there is under the Sho-Me Power Corp., which bought out a whole group of small individual systems. They are now constructing for the first time and are leasing to the Government the basic 69-kilovolt transmission line which for the first time will give 19 towns in Missouri good service.

In western Missouri, you will note that the tie between Mansfield and Springfield, in the western Missouri project, integrates us with ourselves.

The tie from Springfield to Carthage integrates us with two groups, the Empire District Electric Co. (1 of the 12 companies in the proposed agreement) and the KAMO cooperative.

Now, why did the KAMO Cooperative want to build lines over there in this southwestern Missouri area? We have shown on this map that transmission lines do not even exist today. Except in a few instances the existing lines are 33 kilovolt or less in southern Missouri.

Well now, gentlemen, a lot of people live there and it is a very extensive area, and that is why this Sho-Me Cooperative bought up these companies and why it built lines and that is why the Empire District Electric Co. will be the one who receives the greatest service off of our western Missouri project and ultimately the greatest service from the KAMO line here [indicating Springfield to Carthage].

Well, that is as it should be, and that gets us full power integration. I do not believe that there has ever been any real argument between us and the companies about why these lines should be built. It is a question of who should build them.

You asked the Secretary of the Interior not to spend any of the appropriations provided last year for the construction of the Springfield to Carthage line until he had carried out negotiations with the companies and until he had determined through those negotiations the extent to which those funds provided last year should be expended.

Well now, gentlemen, this gives you a complete story on the western Missouri project. In 1951 you provided $3,098,000 which we put under contract, and that was enough money to construct a line all the way from Mansfield through Springfield to Carthage.

There was also included funds for a substation at Clinton, Mo., in connection with the KAMO project. That money was enough, as I said, to build that line and to buy some of the substation equipment, such as the transformers, or at least part of the transformers for the Carthage and Springfield substations.

The $1,060,600 appropriated last year was to complete part of that, and now the money this year is to complete the rest of it.

We have never spent a dollar, in our judgment, which was unnecessary to spend in this program. We will not, regardless of the appropriation action here, ever spend any money on western Missouri that we do not feel will be used in such a way that—well, I guarantee you that in 5 years every kilowatt of capacity that we put into western Missouri will be loaded to its hilt, and all of the other lines, too.

I cannot tell you now what the ultimate arrangements between us and the cooperatives are. I told you last year that those arrange-

ments were under litigation and they still are, and we will have to wait for whatever the courts decide.

But, as it exists in Texas, I am sure that the integration with the power companies and the Government and all other sources of power will be more complete and more fully had with the G. & T. systems than without them.

We provided provisions in this contract for the protection of each of the parties in the event that the G. & T. operations are part of the Government's delivery system.

As we can see the proposition, it is just as proper for us to make arrangements over one group of lines as with another. We probably will have a contract, for example, very much like one for delivery with a cooperative in western Missouri, for a section of the lines shown in green, running from Poplar Bluff, Mo., up north to Fredericktown and down south as far as Maulden.

We are going to serve, through this arrangement, in the very near future three municipalities in that area which are desperately in need of power.

We have prepared a draft, and I would like to leave a copy of it with the committee for the record, the most complete analysis we are capable of making of: (1) complex operations of the Southwestern Power Administration, (2) the financial results of those operations, (3) who the power will be sold to, how much it will bring to the Government, (4) and to indicate that the requirements of the Flood Control Act on repayment of the cost are being met.

This, called the "Analysis of the Southwestern Power Administration's proposed operation in 1952, from 1952 to 1958," I would like to leave copies of this pay out study for the committee.

Mr. WRIGHT. Gentlemen, I believe that almost completes my general statement, with the exception of this one thing.

NUMBER OF CUSTOMERS IN SOUTHWEST

I want you to see the power picture of the Southwest as I have dreamed of it.

On this map the silver dots will serve some 500,000 people, in round numbers. In 5 years the Southwestern Power Administration will be serving 1,500,000 farm people in the Southwest. We will be serving 500,000 in towns, towns that own their own generating plants and their own distribution system, in towns which represent new load for both us and the private utility companies.

We have added to the private utility companies' load in Oklahoma materially since our operations began; instead of putting them out of business, we have put them in business. We have done the same thing in Texas.

I have even talked about Texas, sometimes, as being a place—and I just want to say this to you gentlemen—a place where I can go in and say, "I am short 50,000 kilowatts," and they will have it and they will sell it to me, and that, gentlemen, represents a far cry from where we started.

Well, now, we are moving in that direction in Oklahoma, and I would like to expand the dream that I had a little further.

LEASE AND OPERATION OF LINES

With respect to these lines which the Government entered into a contract to lease and operate, with an option to purchase, we have now amended all of those contracts so as to provide that the options cannot be exercised unless Congress specifically appropriates the money to purchase those lines. We have amended those contracts in that way. I had no intention of ever buying anything unless Congress authorized it.

But I thought that with the Government making the payments through the years that the Government should have the right to buy the facilities.

Now, the reason why we lease and operate these from the cooperatives is this: We can get a great deal more use from the lines than the cooperatives can get, to serve their own members. That is to say, after their members are served, because of the way that electric lines are built, we can use that excess capacity to serve other people, both private companies and preferred customers, and that is good business.

Now, there is still capacity left in the lines after we get through with them.

Let us take western Oklahoma. We have a 66-kilovolt loop running from Comanche all the way to Cherokee, Okla.

Now, the public service company has certain load requirements in that area of their own, namely, retail, industrial, and commercial business, above its requirements with the Government and with the cooperatives. By putting ties from its lines to these cooperative lines, they will be able to use the capacity of the cooperative lines in addition to what is used by the cooperatives and the Government.

I predict that the day will not be very far distant when the Government will be able to enter into arrangements with respect to any generating or transmission lines, by which we will be able to let them use only the capacity above their own requirements and the requirements of the cooperatives, for which they will be willing to maintain the lines and operate them, in which event the Government will save money running into millions of dollars a year—just as you now have savings from this thing that we have been pursuing in the Southwest, savings you are getting at this time, by having a $50,000,000 investment as against a possible $500,000,000 investment that you would have needed to do the same thing otherwise.

I think that completes my statement and now I will be glad to try to answer any questions.

CONSTRUCTION

Amounts available for obligation

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate	$8,620,000	$3,375,000	$4,150,000
Applied to contract authorization	−5,000,000	−600,000	−1,130,000
Contract authorization	1,730,000		
Prior year balance available:			
Appropriation	2,558,340	2,854,745	
Contract authorization	65,745		
Total available for obligation	7,974,085	5,629,745	3,020,000
Balance available in subsequent year	−2,854,745		
Obligations incurred	5,119,340	5,629,745	3,020,000
Comparative transfer to "Operation and maintenance, Southwestern Power Administration, Department of the Interior"	−284,776		
Total obligations	4,834,564	5,629,745	3,020,000

Obligations by activities

Description	1951 actual	1952 estimate	1953 estimate
1. Construction in progress	$3,639,846	$3,954,615	$1,180,000
2. New construction and additions	1,194,718	1,675,130	1,840,000
Total obligations	4,834,564	5,629,745	3,020,000

Obligations by objects

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions	133	129	104
Full-time equivalent of all other positions	4		
Average number of all employees	125	114	98
Average salaries and grades:			
General schedule grades:			
Average salary	$4,134	$4,914	$5,056
Average grade	GS-6.7	GS-7.2	GS-7.5
01 Personal services:			
Permanent positions	$497,051	$554,761	$483,210
Part-time and temporary positions	11,328		
Regular pay in excess of 52-week base		2,359	1,990
Payment above basic rates	4,043	3,200	3,000
Total personal services [1]	512,422	560,320	488,200
02 Travel	61,137	67,250	57,720
03 Transportation of things	4,380	3,200	6,010
04 Communication services	5,509	7,200	6,010
05 Rents and utility services	33,749		
06 Printing and reproduction	5,220	7,200	9,010
07 Other contractual services	16,599	14,263	14,120
08 Supplies and materials	213,960	24,800	18,030
09 Equipment	98,428	483,805	500,000
10 Lands and structures	3,882,968	4,460,457	1,920,000
13 Refunds, awards, and indemnities		750	300
15 Taxes and assessments	192	500	600
Total obligations	4,834,564	5,629,745	3,020,000

[1] These figures were derived by applying the percentage of the total applicable to this appropriation on the basis of an analysis of specific activities. Since the Southwestern Power Administration realizes definite economies from conducting the construction program and the operation and maintenance program on an integrated staff basis, it is not possible in many cases to assign individual positions to a specific program. This method of prosecuting the Administration's programs is reflected in administrative provisions contained in appropriation language for the Southwestern Power Administration.

Analysis of expenditures

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year	$5,034,803	$4,489,452	$5,319,197
Obligations incurred during the year	5,119,340	5,629,745	3,020,000
	10,154,143	10,119,197	8,339,197
Deduct unliquidated obligations, end of year	4,489,452	5,319,197	3,339,197
Total expenditures	5,664,691	4,800,000	5,000,000
Expenditures are distributed as follows:			
Out of current authorizations:			
Out of appropriations to liquidate contract authorizations	5,664,691	600,000	1,130,000
Out of new obligational authority		1,440,548	2,240,255
Out of prior authorizations		2,759,452	1,629,745

Mr. KIRWAN. The first item is "Construction," for which $3,375,000 is available for fiscal year 1952. The request for 1953 fiscal year is $4,150,000, which represents an increase of $775,000.

At this point in the record we will insert pages 48 through 51 of the justification.

(The pages referred to are as follows:)

Construction, Southwestern Power Administration program summary, fiscal year, 1953

Activity and project	Total estimated cost	Obligations to June 30, 1951	Program, fiscal year, 1952	Program, fiscal year, 1953	Balance to complete
Construction in progress, plant interconnection project: Gore switching station	$657,013	$484,443	$158,050	$14,520	
Extensions to cooperatives, public bodies, and others:					
Western Oklahoma project:					
Tupelo switching station	436,035	106,745	301,590	27,700	
Anadarko substation (132 kv./66 kv.)	1,026,198	411,368	397,010	202,820	$15,000
Lindsay-Anadarko line (132 kv.)	602,594	517,434	85,160		
Comanche switching station	29,470		29,470		
Subtotal	2,094,297	1,035,547	813,230	230,520	15,000
Western Missouri project:					
Springfield substation (154 kv./66 kv.)	1,824,408	450,468	[1] 932,600	41,340	400,000
Mansfield switching station	108,129	44,799	58,000	5,330	
Clinton substation (154 kv./66 kv.)	1,072,780	200,870	[2] 486,230	355,680	30,000
Carthage substation (154 kv./66 kv.)	1,041,460	200,870	[3] 522,000	293,590	25,000
Subtotal	4,046,777	897,007	1,998,830	695,940	455,000
Central-Northwest Arkansas project: Ozark substation (154 kv./66 kv.)	579,251	220,521	328,550	30,180	
East-central Texas project:					
Center-Garrison line (66 kv.)	285,271	248,851	36,420		
Corrigan-Diboll line (66 kv.)	152,447	132,827	19,620		
Center switching station	30,012	26,042	3,970		
Timpson substation (66 kv./13.2 kv.)	69,931	60,651	9,280		
Corrigan substation (66 kv./13.2 kv.)	72,216	62,626	9,590		
Lufkin connection	36,929	32,019	4,910		
Nacogdoches connection	36,929	32,019	4,910		
Subtotal	683,735	595,035	88,700		
Southwest Oklahoma project: Relocation of Washita River crossing	54,188	47,308	6,880		
System communication and dispatching	298,318		298,318		
Interconnections with other systems:					
Oklahoma utilities:					
Weleetka substation extension	340,061	115,441	205,720	18,900	
Brown switching station	248,375	218,905	29,470		
Russett substation (132 kv./66 kv.)	506,925	494,635	12,290		
Subtotal	1,095,361	828,981	247,480	18,900	
Miscellaneous: Mobile unit substations	177,570		162,630	14,940	
Administration and engineering on contractual arrangements:					
With rural cooperatives	75,000			75,000	
With private utilities	100,000			100,000	
Subtotal	175,000			175,000	
Total, construction in progress	9,861,510	4,108,842	4,102,668	1,180,000	470,000
New construction and additions:					
Extensions to cooperatives, public bodies and others: Western Missouri project, Springfield dispatching warehouse building	226,700			206,700	20,000
Interconnections with other systems, Grand River Dam Authority:					
Fort Gibson-Okay line (154 kv.)	136,100			124,100	12,000
Fort Gibson substation (154 kv./110/66 kv.)	566,800			509,200	57,600
Subtotal	702,900			633,300	69,600
Miscellaneous construction	1,377,077		977,077	400,000	
Plans and specifications for future program	230,000	80,000	50,000	100,000	
General plant and equipment	1,698,271	698,271	500,000	500,000	
Total, new construction and additions	6,607,148	778,271	1,527,077	1,840,000	89,600
Total, construction	16,468,658	4,887,113	5,629,745	3,020,000	559,600
Add: Liquidation cash			600,000	1,130,000	
Less: Balance available from prior year			−2,854,745		
Total appropriation			3,375,000	4,150,000	

[1] $482,600 to be reserved.

[2] $236,000 to be reserved.

[3] $342,000 to be reserved.

PROJECTS WITH SMALL BALANCES TO COMPLETE

Mr. KIRWAN. Now, Mr. Wright, you show very small balances to complete the Anadarko, Clinton, and Carthage substations. Why can these not be finished and off the books in 1953?

Mr. WRIGHT. The reason, Mr. Chairman, is this, that in going through the appropriations, we have been asking you for only as much money as we needed for a project in that particular year.

The first item, I believe, is the Gore switching station, which is over here on the map [indicating].

Well now, that money is purely for engineering and overhead in order to complete the contracts already let, the contractual construction obligations already made.

However, the work is going to extend over into that fiscal year. Another reason why we cannot complete it any quicker is because that is as fast as the contractor can do it.

The same thing, Mr. Chairman, is true of the Tupelo station, which is over here [indicating]. The same situation applies with Tupelo.

At the Anadarko station, however, there is additional equipment which has to be bought, which is not yet under contract and installed, and that will be in fiscal year 1953. That accounts for the $202,000.

Now, the western Missouri project, the Springfield substation, that is primarily overhead, and at the Mansfield station, all of that or practically all of it is overhead.

Now, the Clinton and Carthage stations, as I think I told you, are the big items that we are asking money for this year.

We are asking $355,000 for Clinton and $293,000 for Carthage.

That money is to provide the necessary capacity at Carthage to supply the Empire District Electric Co. Our engineers are presently working with their engineers as to what we should put in.

The same thing is also true of Clinton, Mr. Chairman, which is located about 75 miles southeast of Kansas City and which will feed the north end of this KAMO system up here [indicating], on the map.

Those, of course, are continuations of projects under way.

Then we have the Ozark substation, in the amount of $30,000, which is purely overhead, and which is to complete the installation of this Ozark substation shown right here on the map [indicating].

That one is an interconnection, that tie is an interconnection with the Northwestern Arkansas Cooperative, and with the utilities at that point, and later on it will be a tie there for the Dardanelle project I hope [indicating].

If you will note, this tie-line which you have had the wisdom to provide between Denison and Norfork Dams, that will ultimately have feeding into it almost on top of it some 20 dams. Then that is going to be perhaps the best located system of lines, largely by luck, that anybody could ever have conceived of, and we will have interchange and integration between a lot of centers and production areas.

CONSTRUCTION PROGRAM ON SCHEDULE

Mr. KIRWAN. Is your 1952 construction program on schedule?

Mr. WRIGHT. Yes, sir. I would say it is, with very few exceptions where we have had some trouble with priorities.

We are having, as you know, the Defense Electric Power Administration looking very severely at everything. You have got to prove that the defense effort is not going to suffer, or else you do not get it.

ADDITION TO GENERATING CAPACITY

Mr. KIRWAN. What new generating capacity will be added to your system in 1953?

Mr. WRIGHT. Well, the three new generating facilities, Mr. Chairman, are, first, Bull Shoals project, with an initial capacity of some 160,000 kilowatts and with ultimate capacity of 320,000 kilowatts.

It is located here [indicating], just northwest of the Norfolk Dam project, which is presently generating.

Mr. Chairman, in connection with that project, the Norfolk project, that is generating with a capacity which is rated at 70,000 kilowatts, but we turn out 80,000 kilowatts from that all of the time.

Then, there is the Tenkiller Ferry, which is located here in Oklahoma on the map [indicating], and there is the Fort Gibson one, located near Okay, Okla.

The total of the two is about 79,000 kilowatts, with I believe 34,000 kilowatts at Tenkiller Ferry and 45,000 kilowatts at Fort Gibson.

Then, up at the Blakely Mountain Dam, coming in in Arkansas, which is located here [indicating], above this part of the Arkansas Power line here [indicating]. That will have a capacity of 75,000 kilowatts. This capacity will not be available in 1953, however.

Then, we have the Whitney Dam coming into Texas, and the capacity of that, I believe, is 30,000 kilowatts.

Now, the Blakely Mountain Dam in Arkansas is extremely important and incidentally it is not in the 12-company contract, it is extremely important because it is so intimately related with the Arkansas Power & Light Co.

You can see from the map [indicating] that the storage in Blakely Mountain is storage also for the Carpenter and Remmel projects of the Arkansas Power & Light Co. [indicating] and the operation of it has to be keyed closely with the Arkansas Power & Light Co. There will be a separate contract for it patterned after the Narrows Dam contracts, which we now have with Southwestern Gas & Electric Co.

This is a very satisfactory contract.

It might interest you gentlemen to know that that dam is being used so perfectly in integration and on peak that we are receiving from the sale of power from the Narrows Dam an average rate of eight and a quarter mills for primary and secondary energy.

NEGOTIATIONS FOR USE OF POWER FROM PROPOSED LINES

Mr. KIRWAN. Mr. Wright, how far have negotiations developed with the Grand River Dam Authority and the Public Service Co. of Oklahoma concerning the use of power from the two lines proposed for 1953?

Mr. WRIGHT. With the Public Service Co. of Oklahoma, the negotiations and contractual arrangements are complete.

We have a tentative agreement with the Grand River Authority and have it operating now, under which we each agree that at any

time the other one may call on either party for any power or energy needs that the other one may have—in other words, that is an absolute safety feature as far as power capacity in that area.

SERVICE CONNECTIONS

Mr. KIRWAN. Have you started any new service connection this last year under the activity "Miscellaneous construction"?

Mr. WRIGHT. Yes, sir; we have.

We are completing the two connections I mentioned in Texas, the line from Garrison to Center and a line from Dibol to Corrigan.

Mr. Chairman, already we are being requested for twice as much power service from that line as expected when we started it.

In addition to that, we are undertaking construction from this M. & A. line in southeast Missouri from the town of Sikeston and Poplar Bluff, Mo. [indicating].

The two of them cost $125,000. Also a connection from the Central Cooperative lines in central Missouri over to Hermann, Mo., which owns its own electrical distribution system, costing $125,000, and a connection from the M. & A. line near here [indicating] to the town of Campbell, Ark., and that cost $120,000.

That is a total of $370,000 in commitments against "Miscellaneous construction funds," in addition to the two Texas projects. Now, last year I pointed out to you that we will make arrangements with the towns of Purcell and Lexington, Okla., with the company. Further study enabled the private-utility company to arrive at a method of serving those towns at a lesser cost than anticipated, and they have constructed those lines themselves, and the Government did not have to spend some $200,000 for it.

In addition to that, they told us initially that it would take 8 months to get those towns served. The local municipal plant was out of service so we were able to get service quickly to the towns, with the cooperation of the company.

AUTHORITY FOR PARTICIPATION IN ARKANSAS-RED-WHITE RIVER BASINS

Mr. KIRWAN. Mr. Wright, does the Flood Control Act of 1950 specifically require the Interior Department to participate in the Arkansas-White and Red River Basins? If not, by what authority do you participate in this work?

Mr. WRIGHT. I am convinced, Mr. Chairman, that it does require us to do so, and if there were no absolute legal requirements that I do it, I still feel that we certainly would not be carrying out the intent of the flood control act, under which we market this power, that we are supposed to do it and to distribute the most widespread power in accordance with sound business principles and the lowest rates possible, and I do not feel that we could do that if we did not participate in the planning at least.

One of our troubles, gentlemen, in the Southwest, is that we did not have much to do with this first bunch of shoes that was built. When we needed boots, we found that we had suede pumps and when we needed suede pumps, we found that we had overshoes.

But, by melding it all together, we have been able to use all of it.

By this 12-company agreement, we sell under that contract everything that the Government does not need to serve its customers at all times, the companies will buy it all the time, and they even take capacity without any kilowatt-hours and they vary their use of the kilowatt-hours depending on what the Government has, and they but all of it.

So, we will find when this contract is considered, that we have sold everything that is not needed by the Government, that we can sell everything that we want to build.

REQUEST FOR 1953

Mr. NORRELL. On the construction item, Mr. Wright, I believe, if I understand your program correctly, most of your construction money that you are requesting is simply to carry on your program, which is a program that has already been inaugurated, in order to complete the job.

Mr. WRIGHT. That is absolutely true, and there are only one or two exceptions to that.

One is the line here on the map [indicating], which is the line from Fort Gibson to Okay, Okla., which is 5 miles long, I believe, and which integrates with the Public Service and the Grand River Dam Authority, at that point here [indicating].

The other one is for the building of a warehouse and dispatching office at Springfield.

Now, that area is located some 3 or 4 miles outside of the town, it is not within the city. There are not any buildings there. We could not be in town, with the high voltage substation, because it is dangerous.

That provides a place where our loading dispatchers can have their communication centers and integrate their operations with all of the power companies in that area.

You see, the distances out there in this area are so great that because of the question of communications we cannot dispatch from any one point throughout this whole area here [indicating], because there are some 1,200 miles involved.

So, we are going to have two areas, two dispatching areas to coordinate with the power companies.

One is at Springfield and another is presently at or near Tulsa, and that may have to be moved.

Mr. NORRELL. With the exception of those two items, your construction program is essentially to carry on what you have begun?

Mr. WRIGHT. That is correct.

POWER FACILITIES IN MISSOURI

Mr. NORRELL. Now, Mr. Wright, I have been shocked and surprised by the lack of transmission lines in certain areas in Missouri.

Mr. WRIGHT. So have I, sir.

Mr. NORRELL. Does that map show all of the lines, old and new, privately owned in all of that area?

Mr. WRIGHT. To the best of my ability to put them on a map, that shows everything that exists there today.

I will leave that map with the committee so that you will have it. As I say, it shocked and surprised me, too.

Mr. NORRELL. I wonder, Mr. Chairman, if there is any way of getting that map into our record.

Mr. KIRWAN. If there is any way of getting it in, I would be very happy to put it in.

Mr. NORRELL. I think it is a very important map and we should have it in our record.

I think that that might be helpful, because so many of us live in an area like I do. For instance, Mr. Wright, in my section in Arkansas, we have a lack of transmission lines——

Mr. WRIGHT. And everywhere.

Mr. NORRELL. Yes, everywhere; and when you come and talk to me about an area in the great State of Missouri which is expanding as fast as you showed awhile ago, with transmission lines, then it is hard for me to understand this lack in these other vast areas, and I would like to have such a map so that it can be seen, I would like to have the country see the picture.

(The map referred to may be found on facing page.)

Mr. WRIGHT. The reason for that, referring to this lack of lines, sir is—I can trace it for you.

Missouri is served by a huge mass—it was and still is served by a great number of really small companies, and they never were integrated into one group.

Now, this whole bunch of small companies was bought out by an outfit called the Sho-Me Cooperative.

The Supreme Court of Missouri subsequently declared that to be a private company and they were renamed and rechartered as the Sho-Me Power Corp.

They own all of the electric facilities in this tremendous area in Missouri that I am pointing out [indicating] and which I know you have in mind.

They are now building for the first time this 69-kilovolt facility in here [indicating], and we have been putting fans on the transformers and standing on our head, actually feeding power backward to them to keep those people alive.

They have got a 69-kilovolt line running from the end of—a line here [indicating], the West Plains line up to Willow Springs, Mo., and that is the only 69-kilovolt line that we know of.

Mr. NORRELL. Mr. Chairman, I have no further questions on construction.

Mr. KIRWAN. Mr. Jensen.

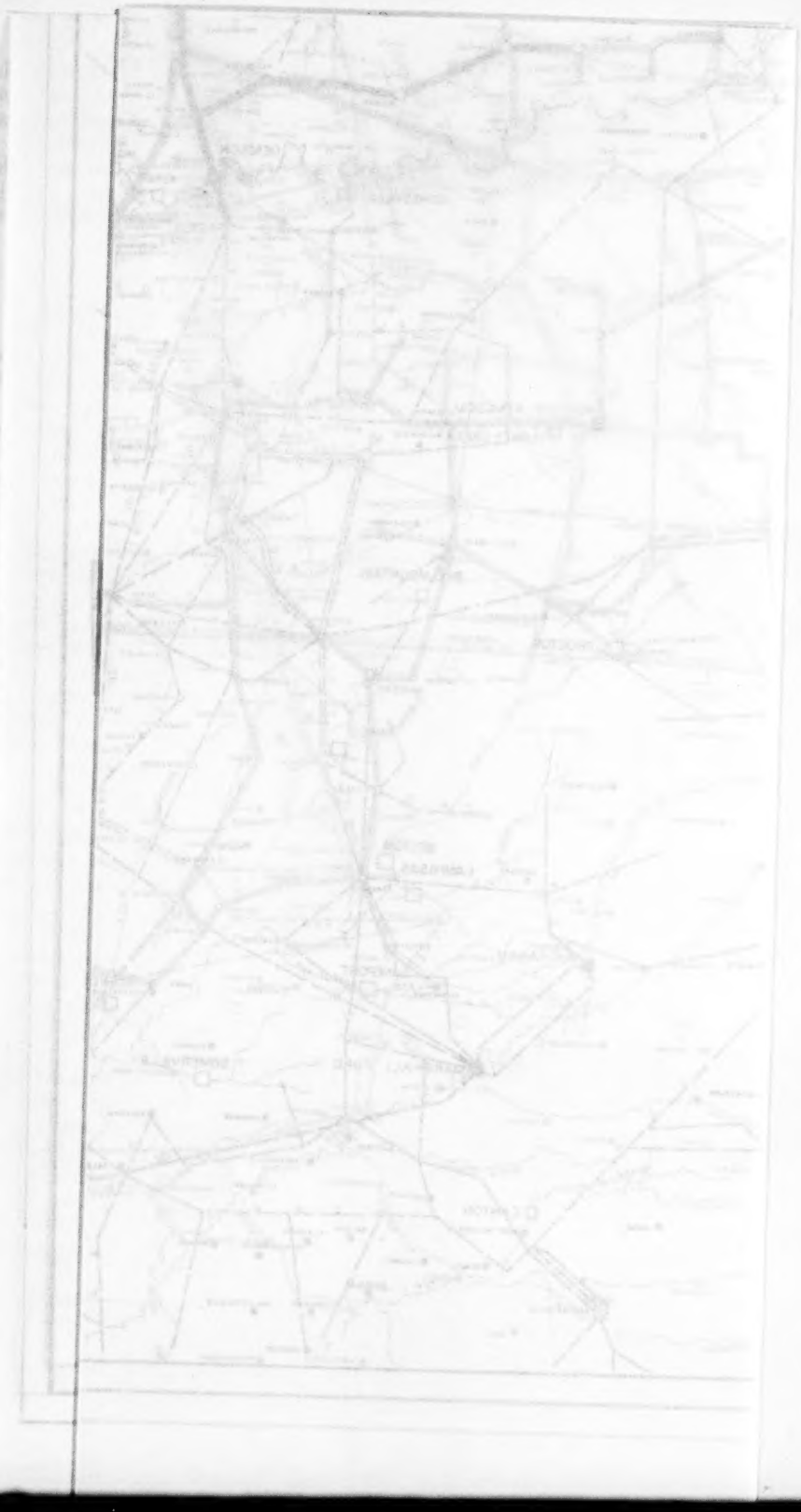
FEEDER LINES IN MISSOURI

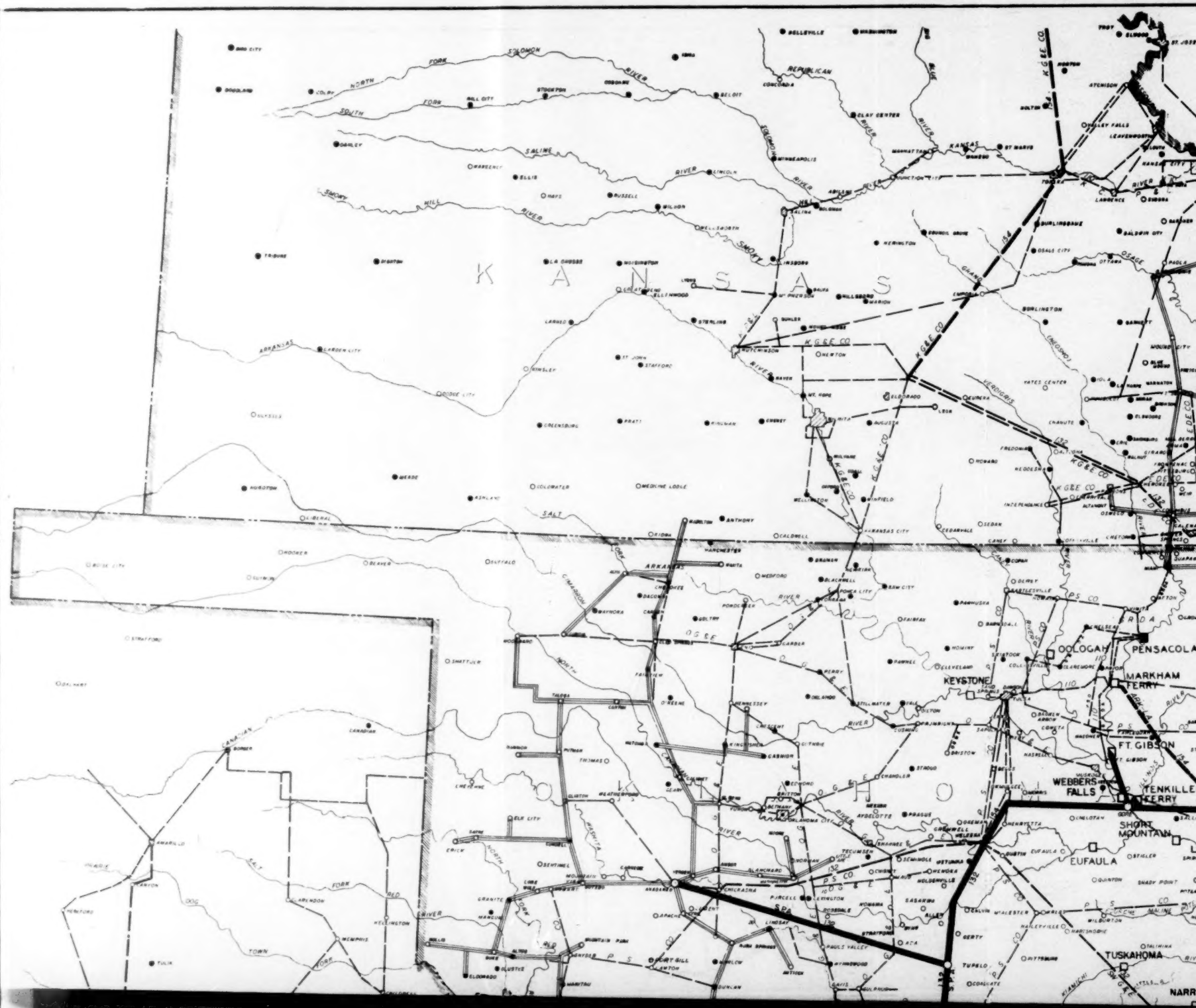
Mr. JENSEN. Mr. Wright, regarding the area in south central Missouri and the area in southeastern Missouri there on your map, do they have lines, that is, feeder lines?

Mr. WRIGHT. Yes, sir; 33,000 and 13,800 volts.

Mr. JENSEN. And they run to the farms out there in that area, do they not?

Mr. WRIGHT. The cooperatives in that area have built most of them. Those lines do not run there—the only reason that they could serve at all was that they served from a whole hodgepodge of small

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SALT FORK RED RIVER
CANADIAN RIVER
NORTH CANADIAN RIVER
WASHITA RIVER
VERDIGRIS RIVER
NEOSHO RIVER
OSAGE
KANSAS
KGEE CO
OGLOGAH
PENSACOLA
MARKHAM FERRY
KEYSTONE
FT. GIBSON
WEBBERS FALLS
TENKILLER FERRY
SHORT MOUNTAIN
EUFAULA
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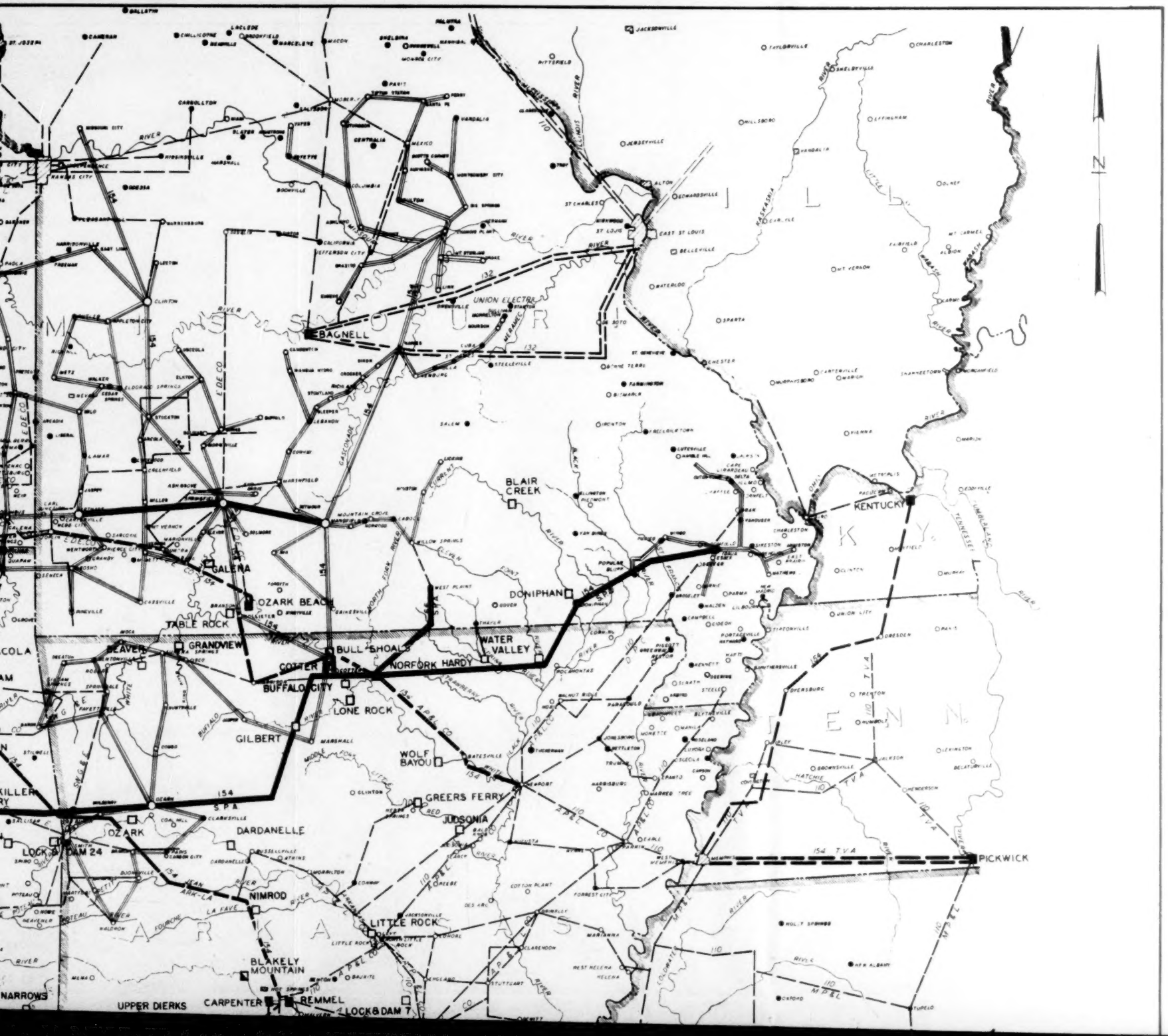
BAGNELL
UNION ELECTRIC
BLAIR CREEK
KENTUCKY
GALENA
OZARK BEACH
TABLE ROCK
GRANDVIEW
BEAVER
BULL SHOALS
WATER VALLEY
NORFORK HARDY
COTTER
BUFFALO CITY
LONE ROCK
DONIPHAN
GILBERT
WOLF BAYOU
GREERS FERRY
JUDSONIA
DARDANELLE
OZARK
LOCK & DAM 24
NIMROD
LITTLE ROCK
BLAKELY MOUNTAIN
UPPER DIERKS
CARPENTER
REMMEL
LOCK & DAM 7
PICKWICK
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MISSOURI
ARKANSAS
ILLINOIS
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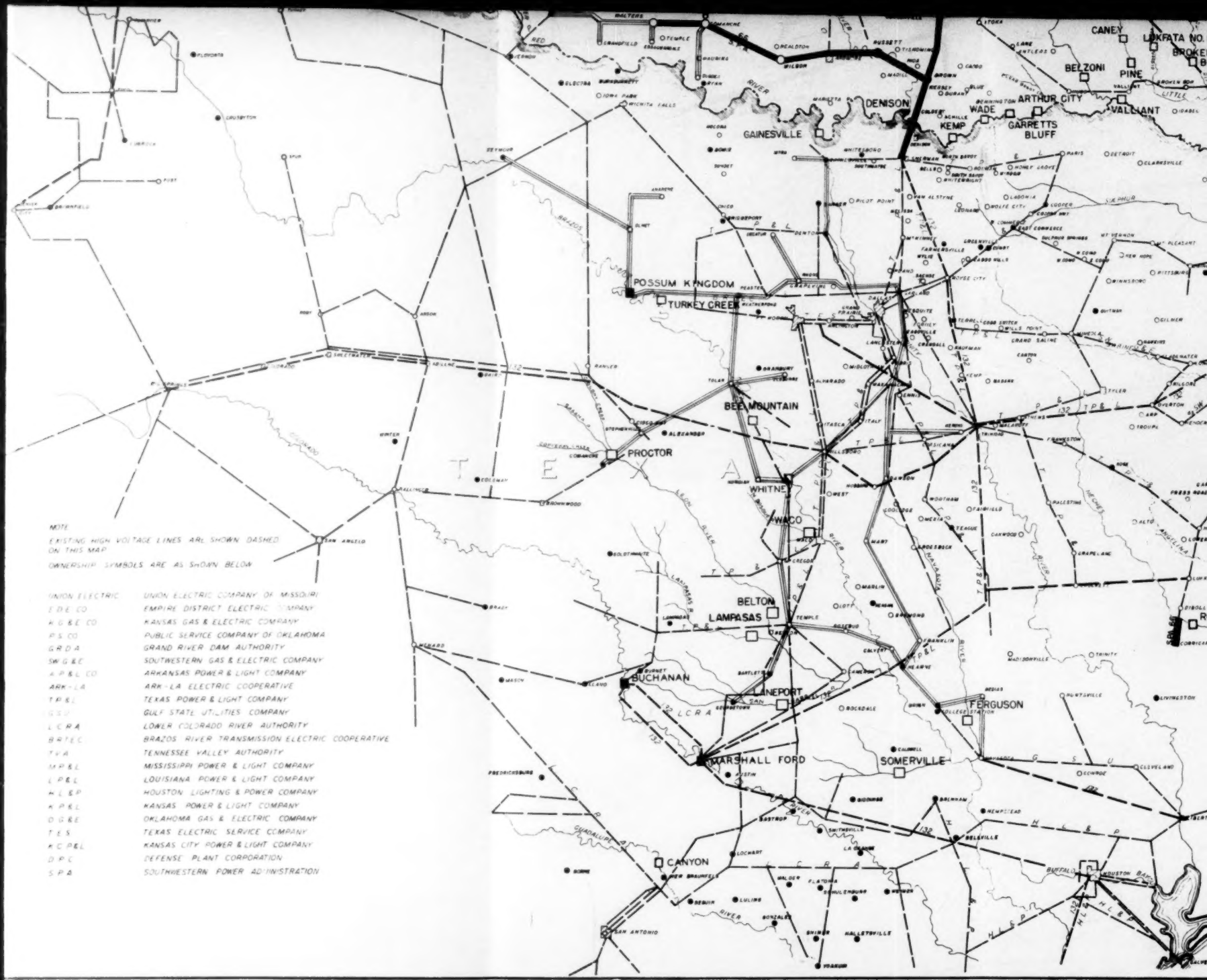
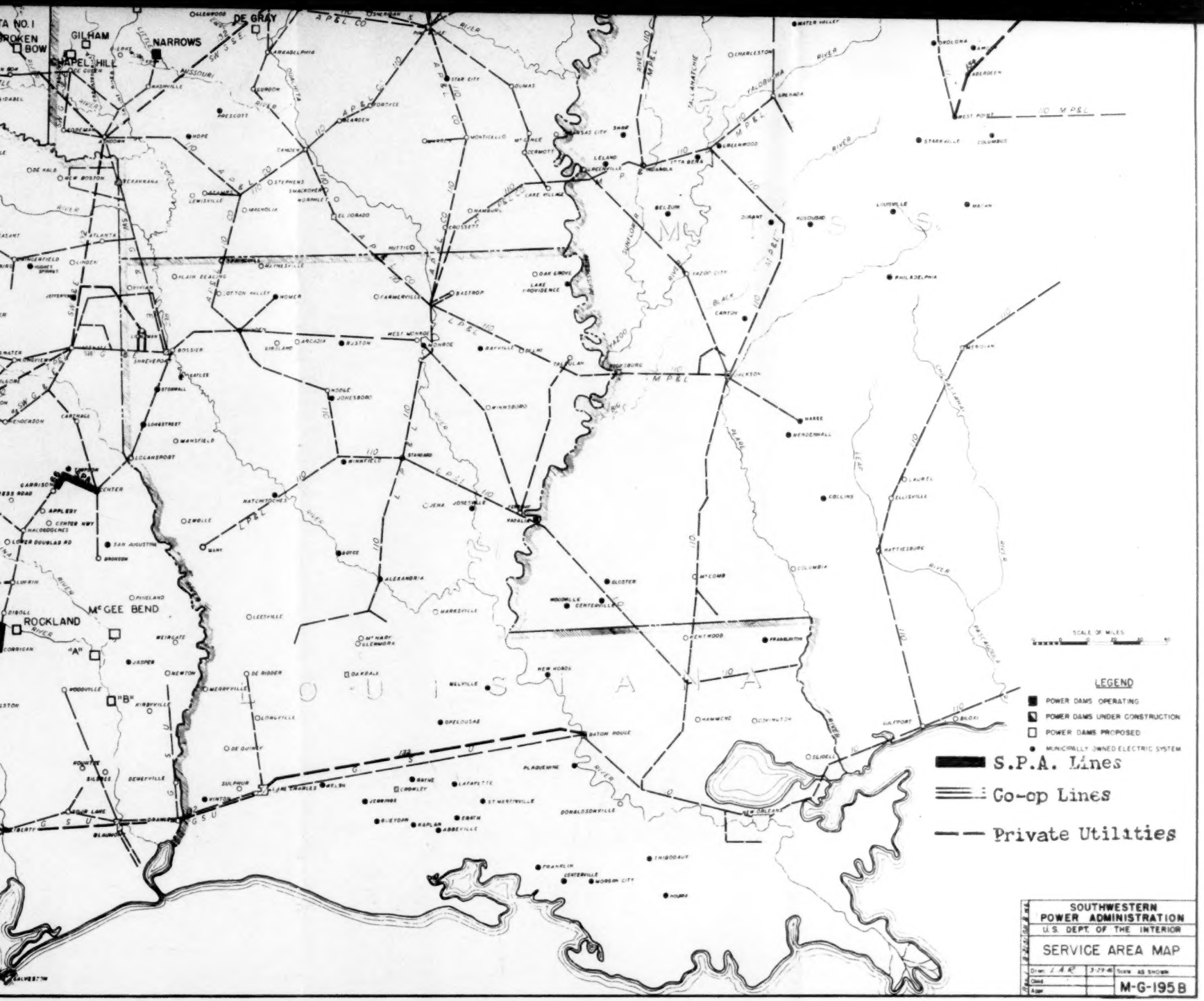


NOTE

EXISTING HIGH VOLTAGE LINES ARE SHOWN DASHED ON THIS MAP

OWNERSHIP SYMBOLS ARE AS SHOWN BELOW

UNION ELECTRIC	UNION ELECTRIC COMPANY OF MISSOURI
E D E CO	EMPIRE DISTRICT ELECTRIC COMPANY
K G & E CO	KANSAS GAS & ELECTRIC COMPANY
P S CO	PUBLIC SERVICE COMPANY OF OKLAHOMA
G R D A	GRAND RIVER DAM AUTHORITY
SW G & E	SOUTHWESTERN GAS & ELECTRIC COMPANY
A P & L CO	ARKANSAS POWER & LIGHT COMPANY
ARK-LA	ARK-LA ELECTRIC COOPERATIVE
T P & L	TEXAS POWER & LIGHT COMPANY
G S U	GULF STATE UTILITIES COMPANY
L C R A	LOWER COLORADO RIVER AUTHORITY
B R T E C	BRAZOS RIVER TRANSMISSION ELECTRIC COOPERATIVE
T V A	TENNESSEE VALLEY AUTHORITY
M P & L	MISSISSIPPI POWER & LIGHT COMPANY
L P & L	LOUISIANA POWER & LIGHT COMPANY
H L & P	HOUSTON LIGHTING & POWER COMPANY
K P & L	KANSAS POWER & LIGHT COMPANY
O G & E	OKLAHOMA GAS & ELECTRIC COMPANY
T E S	TEXAS ELECTRIC SERVICE COMPANY
K C P & L	KANSAS CITY POWER & LIGHT COMPANY
D P C	DEFENSE PLANT CORPORATION
S P A	SOUTHWESTERN POWER ADMINISTRATION


DE GRAY
GILHAM
NARROWS
CHAPEL HILL
McGEE BEND
ROCKLAND
"A"
"B"
LEGEND
POWER DAMS OPERATING
POWER DAMS UNDER CONSTRUCTION
POWER DAMS PROPOSED
MUNICIPALLY OWNED ELECTRIC SYSTEM
S.P.A. Lines
Co-op Lines
Private Utilities
SCALE OF MILES
SOUTHWESTERN POWER ADMINISTRATION
U.S. DEPT. OF THE INTERIOR
SERVICE AREA MAP
M-G-195B

plants scattered all over there and the costs for the power that they purchase were perfectly tremendous. I think that it was something in the order of 2 or 3 cents in some of those places.

Mr. JENSEN. The people in that area which you have outlined in Missouri do have a network of small lines running from the periphery of that area, and they do feed electricity from these small plants that you speak of to the farmers in that area, I presume.

MISSOURI FARMS WITH ELECTRICITY

What percentage of the farmers in that area have electricity?

Mr. WRIGHT. My guess is that probably about 85 percent of them have electricity, electrical service, but they are in this condition, Mr. Jensen.

They have been buying part of their power from municipalities and part from somewhere else and another part somewhere else, and the municipalities, because of the load on the municipalities in many instances have been begging and pleading to have the cooperatives taken off of their systems, for lack of heavy lines.

That lack has prevented the first premise implied in your statement, namely, bringing in that power. That is not done and cannot be done.

Union Electric Co. gets a little power at this north end here [indicating] and it serves this area, but there is no way of getting it without a large-sized line here [indicating].

What struck me and what has struck, I think, you, Mr. Norrell, is why in this area [indicating] you have this maze of small ones. If I had known this last year, I would have had it before you, but it occurred to me that that is something that Congress ought to see, just what is there. So, I asked my chief engineer to make me a map.

PROVIDING POWER IN MISSOURI

Mr. JENSEN. Then you contend that in order to furnish sufficient power to the people in that area which we have been talking about that it is necessary to run transmission lines farther into the area in order to make power available to all of the farmers in that area.

Mr. WRIGHT. That is right, sir, and to the extent that this cooperative is now constructing—and they are well along, I mean this power corporation, they are well along.

Mr. JENSEN. And you think that the cooperatives will eventually under their program build sufficient lines there to take care of those people?

Mr. WRIGHT. Yes, sir. I think that they have got it pretty well under way now and I think that will take care of them.

But, I wanted to find out why did these prople start these projects in the first place? There must have been some reason. I wanted to find out, and this is the picture that I got.

Mr. JENSEN. And now, Mr. Wright, I want to say that I am always intrigued by your fine grasp of the whole electrical problem, the problem that you have in the Southwest, and how you can explain every little detail.

Mr. WRIGHT. Thank you, sir.

Mr. JENSEN. You have got it right at the tip of your tongue.

CAPACITY AND MILEAGE OF LINES

Now, what load, or what voltage lines do you have?

Mr. WRIGHT. Sixty-nine kilovolts, we call it.

Mr. JENSEN. Approximately how many miles of 69 kilovolts do you have? What is the next one, 115 kilovolts?

Mr. WRIGHT. 154 kilovolts and 138 kilovolts. We do not have any 115 kilovolts.

Mr. JENSEN. What about your backbone lines?

Mr. WRIGHT. 154 kilovolts from here in Oklahoma [indicating] east, and 138 kilovolts from there south and west [indicating].

Mr. JENSEN. Approximately how many miles of each of those sizes or capacity lines do you have?

Mr. WRIGHT. I would like to furnish that.

Mr. JENSEN. You can furnish that.

(The information requested is as follows:)

Transmission lines

Voltage:	*Miles*
154 kilovolts	452.74
132 kilovolts	217.68
66 kilovolts	164.26
Total miles	834.68

Mr. JENSEN. Are they completed now?

Mr. WRIGHT. They are completed now.

I have roughly, I would judge, around 450 miles of 154 kilovolts.

I have roughly 200 miles of 132 kilovolts.

I have roughly 160 miles of 66 kilovolts, that the Government has built and contracted.

I would like to furnish the details.

Mr. JENSEN. That is a total of roughly how much?

Mr. KANE. Eight hundred and thirty-four.

Mr. JENSEN. And you also have the necessary related facilities, all of which you have built with approximately $22,000,000.

Mr. WRIGHT. Yes, sir.

ACCOMPLISHMENTS OF SOUTHWESTERN POWER ADMINISTRATION

Mr. JENSEN. Mr. Chairman, it appears to me, that it is a fact that Southwestern Power Administration under the direction of Mr. Wright has built more miles of lines and more related facilities for less money than has any other Government agency or any other branch of the Interior Department that I know of.

I am really quite amazed that you have done all of this for $22,000,000. I know that is not paid. You gentlemen have built over 600 miles with all the necessary related facilities. I think it is a record.

Mr. WRIGHT. Mr. Chairman and Mr. Jensen, I can furnish you with a detailed statement of those lines.

There is a total of lines completed by the Southwestern Power Administration of 834.68 miles.

The lines under construction by the Southwestern Power Administration total 132.51 miles of lines.

Mr. JENSEN. That is still better.

Mr. WRIGHT. That is almost 950 miles of lines. I will furnish that for the record.

Mr. KIRWAN. That will be made a part of the record.

(The material referred to is as follows:)

Lines completed by Southwestern Power Administration:	*Miles*
Denison-Weleetka, 132 kilovolts	113.00
Weleetka-Norfork, 154 kilovolts	259.00
Bull Shoals-Rea Valley, 154 kilovolts	10.48
Fort Gibson-Gore, 154 kilovolts	23.41
Tenkiller Ferry-Gore, 154 kilovolts	5.72
Norfolk-Idalia, 154 kilovolts	153.13
Van Buren line, 154 kilovolts	1.00
Tupelo-Lindsay, 132 kilovolts	69.68
Brown-Russett, 132 kilovolts	19.00
Denison-Payne, 132 kilovolts	16.00
Russett-Walters, 66 kilovolts	89.20
Norfolk-West Plains, 66 kilovolts	43.60
Center-Garrison, 66 kilovolts	21.61
Corrigan-Diboll, 66 kilovolts	9.85
Total	834.68
Lines under construction by Southwestern Power Administration:	
Springfield-Mansfield, 154 kilovolts	40.70
Springfield-Carthage, 154 kilovolts	54.31
Lindsay-Anadarko, 132 kilovolts	37.50
Total	132.51

OPERATION AND MAINTENANCE

Amounts available for obligation

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate	$760,000	$1,255,712	$1,500,000
Unobligated balance, estimated savings	−108,115		
Obligations incurred	651,885	1,255,712	1,500,000
Comparative transfer from "Construction, Southwestern Power Administration, Department of the Interior"	284,776		
Total obligations	936,661	1,255,712	1,500,000

Obligations by activities

Description	1951 actual	1952 estimate	1953 estimate
1. System operation and maintenance	$479,350	$679,980	$800,000
2. Power marketing	106,615	95,225	110,000
3. General administration	350,696	480,507	590,000
Total obligations	936,661	1,255,712	1,500,000

Obligations by objects

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions	202	247	301
Full-time equivalent of all other positions	1		
Average number of all employees	173	215	274
Average salaries and grades:			
General schedule grades:			
Average salary	$4,326	$4,696	$4,886
Average grade	GS-6.7	GS-6.9	GS-7.0
Ungraded positions: Average salary	$3,172	$3,207	$3,172
01 Personal services:			
Permanent positions	$680,974	$880,996	$1,148,190
Part-time and temporary positions	2,964		
Regular pay in excess of 52-week base		3,954	4,810
Payment above basic rates	11,251	14,425	15,000
Total personal services [1]	695,189	899,375	1,168,000
02 Travel	58,130	68,250	89,080
03 Transportation of things	6,911	9,800	13,990
04 Communication services	8,585	20,800	18,990
05 Rents and utilities	81,948	30,000	30,000
06 Printing and reproduction	5,227	11,800	11,990
07 Other contractual services	45,562	161,237	102,380
08 Supplies and materials	34,841	53,200	62,970
13 Refunds, awards, and indemnities	75	750	1,200
15 Taxes and assessments	193	500	1,400
Total obligations	936,661	1,255,712	1,500,000

[1] These figures were derived by applying the percentage of the total applicable to this appropriation on the basis of an analysis of specific activities. Since the Southwestern Power Administration realizes definite economies from conducting the construction program and the operation and maintenance program on an integrated staff basis, it is not possible in many cases to assign individual positions to a specific program. This method of prosecuting the Administration's programs is reflected in administrative provisions contained in appropriation language for the Southwestern Power Administration.

Analysis of expenditures

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year	$110,584	$61,800	$125,512
Obligations incurred during the year	651,885	1,255,712	1,500,000
	762,469	1,317,512	1,625,512
Deduct:			
Unliquidated obligations, end of year	61,800	125,512	200,512
Adjustment in obligations of prior years	13,722		
Total expenditures	686,947	1,192,000	1,425,000
Expenditures are distributed as follows:			
Out of current authorizations	590,085	1,130,200	1,299,488
Out of prior authorizations	96,862	61,800	125,512

Mr. KIRWAN. The next item is "Operation and maintenance." The appropriation for 1952 is $1,255,712. The 1953 request is $1,500,000, or an increase of $244,288.

Pages 67, 68, and 69 of the justification will be inserted in the record at this point.

(The pages referred to are as follows:)

Operation and maintenance

1952 appropriation and increase in base salaries:		
Appropriated 1952		$1,346,195
Increase in base salaries due to pay acts		61,010
Total 1952		1,407,205
Estimate 1953		1,500,000
Increase (+) or decrease (−) 1953 estimate compared with 1952		+92,795
Appropriation act, 1952	$1,255,712	
Comparative transfer from "Construction, Southwestern Power Administration"	+90,483	
Total available, 1952		1,346,195
Increase in base salaries due to increased pay costs		61,010
Adjusted appropriation		1,407,205
Increases:		
System operation and maintenance	$78,000	
Power marketing	8,300	
General administration	6,495	
		92,795
Budget estimate, 1953		1,500,000

Analysis of adjusted appropriation

Activity	Total available 1952	Increase in base salaries due to increased pay costs			Adjusted appropriation
		Proposed supplemental due to pay increase	Additional allowance (+) or absorption (−) in 1953	Total	
1. System operation and maintenance	$679,980		$42,020	$42,020	$722,000
2. Power marketing	95,225		6,475	6,475	101,700
3. General administration	570,990		12,515	12,515	583,505
Total	1,346,195		61,010	61,010	1,407,205

Analysis by activities

Activities	Adjusted appropriation	Decreases	Base 1953	Estimate 1953	Increases	Page No.
1. System operation and maintenance	$722,000		$722,000	$800,000	$78,000	70
2. Power marketing	101,700		101,700	110,000	8,300	76
3. General administration	583,505		583,505	590,000	6,495	82
Total	1,407,205		1,407,205	1,500,000	92,795	

KEEPING COSTS DOWN

Mr. KIRWAN. What steps have you taken to keep operation and maintenance costs down, in the face of continually increasing costs?

Mr. WRIGHT. We, under the able guidance of my Chief of Operations, Mr. Gale, who has spent the last 10 years of his life in this particular work in the Southwest under my direction and who has had a large and varied experience before that time, have carried on constant

studies of every system of operation in the Southwest, looking for the one that costs the least money. We unitize our operating units so that we have a flexible thing, one that can be moved from one area to another.

We have fixed it all up. For instance, we have line-control crews in some areas. We have these crews in certain strategically placed areas and those crews can, in the case of emergency, be moved from one place to another, where they are needed.

We are also working on arrangements with cooperatives such as here [indicating] for exchange of assistance where we have ice storms.

At West Plains we had, I believe, 3 inches of ice and the city lost about half the service, but our crews went in and helped West Plains to get back into service and, of course, West Plains would help us under similar circumstances.

INCREASE IN OPERATION AND MAINTENANCE

The main increase is in maintenance and operation. The reason for this is that heretofore people like myself have charged a certain percentage of their time for construction and a certain percentage for operation, and that was determined depending on how much time we could spend on each of them.

Well now, as our construction program decreases and our operating program increases, obviously more of that overhead has to be switched from construction to operation, if you are going to make any kind of a realistic charge.

Then, by virtue of the fact that instead of building the transmission lines and operating them ourselves, we will have arrangements, gentlemen, for the use of $5,000,000,000 worth of transmission lines in the Southwest.

We now have arrangements for the use of some $300,000,000 to $500,000,000 of transmission lines, and that means that our operating people while they are not operating the lines themselves, have to work with the companies to see that when we ask for power, we will say for a town in Oklahoma, we can tell the company what kind of power we want, where we want it, how we want it, and our people have to work with them to see that we get it.

Well now, that takes a certain amount of staff time which is not related to our own system.

So that, when we have contracts instead of operating—you remember that I initially told this committee about a minimum system which I said I thought would cost $227,000,000 to serve the Southwest, in my judgment that system now at this time would cost $500,000,000.

Well now, instead of building that system, we are going to operate a system for somewhere between $30,000,000 and $50,000,000, as I told you, Mr. Norrell—but, and I want you to understand this, gentlemen, that we are going to have arrangements to use some $5,000,000,000 of facilities, $5,000,000,000 worth of power facilities, and our people are going to have to work with the companies—and those are the two reasons why we have this increase in cost.

Mr. KIRWAN. Are your operating costs comparable to other operating systems in your area?

Mr. WRIGHT. Mr. Chairman, on the basis that we were building an organization and we are just now getting to where we can compare

on a mileage basis, I would say we are a little high; but in a year or two they will all have to jump to keep up with us.

NATURE OF CONTRACTS

Mr. NORRELL. Mr. Wright, getting back to the contracts that you said that you had made, I am gratified to get that information.

I would like, though, for the record to show briefly what the high lights of the contract are, since we cannot put the entire contract in the record. I ask that because I realize that a lot of people in Arkansas will be interested in knowing something about the contract, especially with reference to the life of the contract and the different intervals where the rates may be renewed, and so on. Just those things that the general public would be interested in.

Would you give that to us, very briefly?

Mr. WRIGHT. Yes, sir.

The contract proposed, as I pointed out, was with 12 utility companies. The contract has two main phases.

INTERCHANGE OF POWER

The first phase is an interchange of power phase, under which there is no obligation on the Government to the companies until they have requested the company to do something for the Government.

The Government has the right to request the company to deliver electrical power and energy from the companies to the Government for the service of any rural cooperative which the Government does not elect to serve or to not serve off of its own lines; for any municipal system which had heretofore owned its own generating plant and its own distribution system; for any municipal system which is buying power wholesale from the companies at the time the Government wants to serve them; and the companies and the Government might agree on any town for such service which the companies now serve at retail but the Government does not have to do that.

The Government can, however, build its own line. There is no prohibition against the Government serving a town.

In addition, the companies will deliver power to the Government for any new industry that the Government wants.

The companies will cancel any contract for electric service that they have for any customer entitled to receive service from the Government on request of that customer and the Government.

The minute that customer begins receiving power from the company, then the Government has to deliver power to the companies and that is a compensating amount of electrical energy—not so much energy as it gets, but it will let the company get it at roughly 50 percent lesser rate.

Now, that is the interchange basis. It permits the companies to serve customers cheaper than they can serve them any other way.

Mr. NORRELL. That is a good point.

Mr. WRIGHT. It enables them to serve them at the basic rate that we have been able to work out.

Mr. NORRELL. It will mean then a net saving to the customers for electricity.

Mr. WRIGHT. In our best judgment, yes, sir.

Mr. NORRELL. Over either public or private concerns.

Mr. WRIGHT. Yes, sir, and they will get the basic Government rate to these preferred customers and they will have the inducement of this decrease for any new industries, just as we had in this aluminum plant in Arkansas.

STRAIGHT SALE OF POWER TO COMPANIES

The second phase of the contract is the straight sale to the companies of everything that the Government has that it cannot sell to anybody else. The companies are buying all of the power.

Mr. MORRELL. They do not buy a portion, they buy it all?

Mr. WRIGHT. They buy it all and if next week we need to serve someone else, then automatically it comes back to us by simply starting to serve, it is a purely automatic recapture.

That means this, that the companies and the Government are forever wedded into something that both of them have got to live up to.

The companies have got to plan the entire load in this area because actually they will have to serve it.

As they deliver power and sell to the Government for a customer, the Government will in turn kick into the pot the amount of power and energy, and they know that.

They also know that the Government can be called upon.

Now, they pay for this. There is a variation in use per kilowatt from 100 hours to 200 hours a month but the Government can vary its power to the company.

Now, they can use it that way because they can fit it in on their peak load.

Actually, with respect to the Narrows Dam, the figure was a use of about 75 hours a month per kilowatt.

At Blakely Mountain, where they are doing a nice job, they will do the same thing.

It carries out what I have been preaching all of these years, namely, that when you can marry hydro and steam, then you have a power supply as nearly perfect as you can think of.

USE OF STEAM PLANTS IN CONNECTION WITH HYDRO

Mr. NORRELL. Will you discuss the steam angle of it, Mr. Wright, in connection with your hydro power?

Mr. WRIGHT. All right, sir. The load curves of the Southwestern are such that if you take an average of them you can use your hydro power, and all of it.

Mr. NORRELL. You do not lose it; you use it all.

Mr. WRIGHT. You have everything, putting it at 200 hours a month.

The steam units can then be used at something in the order of 500 hours a month.

Now, if the steam carried both peak and base load, it cannot be used more than 380 to 400 hours a month, so both of them do better by putting it together, with the steam getting the average use and the hydro carrying the peak.

Well now, that means that by putting two additional units in a dam, you double the productivity of that dam and you do not increase

the cost more than 5 or 10 percent. It means that something can be solved with two units and it would be better with four units. The Southwest is the place where you can do that—although we do not have the Columbia River.

Now, as to the second phase of the contract, Southwestern follows a policy, gentlemen.

RATE DETERMINATIONS PERIODICALLY

We have never made a contract without rate determinations in it periodically, with everybody—with one exception, and that is the aluminum contract, and there we believe that the exigencies and necessity for aluminum at this time has been such as to justify the exception—and that is one of the problems in the contract that we could work out and arrange which would effectuate a redetermination of the rates——

Mr. NORRELL. Would you mind if I interrupt you to ask a question?

Mr. WRIGHT. Certainly not.

Mr. NORRELL. Would that only apply to that one thing there that you mentioned?

Mr. WRIGHT. That is right; but we made provisions that would effectuate the same thing.

Mr. NORRELL. It could subsequently be made under some other event that might arise in Southwestern?

Mr. WRIGHT. It automatically happens then.

Now, this contract provides that in 1953 and every 3 years thereafter you must redetermine the rates between you and all these companies and you must find them on a basis of fairness and equity. You can redetermine them more often, and it is my opinion that where either the Government or any of the companies or all of the companies got into a situation where they felt they were being penalized, then the rates would be examined immediately—because this contract, of course, will work only if both of them are successful under it and if it does not work, both the Government and the companies will be in a mess that they have got to figure out and get out of. It has got to work; that is the beauty of the contract.

Now, the term of the contract, I think, is 20 years.

Mr. NORRELL. I believe it is 30 years, is that not right?

Mr. BLALOCK. The aluminum contract is for 30 years. This is a 20-year contract.

Mr. WRIGHT. It goes into effect after approval of the rates by the Federal Power Commission and all of the regulatory bodies that have jurisdiction over the companies will have to approve it also. Well now, that in general completes this contract. We do have this broad feature that I want to point out.

Under this contract the Government complies with its obligations to deliver power and energy, to deliver it any place that the Government system connects to anyone in the companies.

Mr. NORRELL. And that power, both private and public, is merged together and the $5,000,000,000 of facilities are jointly serving the customers in that area.

POWER USED WHERE NEEDED

Mr. WRIGHT. That is correct. In addition, the Government has the right to pull power from any dam it sees fit at any time that it wants to.

We have preserved to the Government the full integration and the full diversification in the use of its own facilities.

In other words, the company would not have the right to say, "Take it from Bull Shoals." We can take it from Denison or anywhere, as long as we are delivering and meeting our obligation.

So, we get the full $5,000,000,000 in one pot.

Mr. NORRELL. So, let us take a State where a lot of power is produced, for instance, like my State—there have been some statements made that a lot of that power would go into Missouri and Oklahoma. Actually the power is in a common system and it is simply used where needed?

Mr. WRIGHT. That is exactly right.

Mr. NORRELL. Whether it is Arkansas or Missouri or Kansas?

Mr. WRIGHT. And Arkansas and Missouri and Kansas, none of them can keep it from going where it is needed.

I recently had a debate with a member of the Legislature of Oklahoma and he charged that it was going to be sent to Arkansas.

I answered that this way. I asked him, "Does the legislature distinguish between the different towns in Oklahoma?"

He said, "Certainly not, we cannot do that."

And I said, "Then you operate regionally, just as we do."

CONTRACTS WITH UTILITIES

Mr. NORRELL. Now, the contracts with the utilities, all of them, are for 20 years?

Mr. WRIGHT. Yes, sir.

Mr. NORRELL. With a review of rates every 3 years?

Mr. WRIGHT. Yes, sir. If they do not reach agreement, then the contract terminates at the end of 3 years after the review.

Mr. NORRELL. Off the record.

(Discussion off the record.)

CONTRACT WITH ALUMINUM PLANT

Mr. NORRELL. Now, will you state briefly the contract that you are jointly making regarding the aluminum plant?

Mr. WRIGHT. It has not been made yet, Mr. Norrell. It has been drafted and tentatively agreed to.

It basically provides the Oklahoma arrangement for the service of the aluminum plant. We deliver into the Arkansas Power & Light Co. 30,000,000 kilowatt-hours a month and give the company the right to take that at the rate of 150,000 kilowatts.

The Arkansas Power & Light Co. in turn will deliver to the aluminum plant some 80,000,000 kilowatt-hours a month up to a rate of 110,000 kilowatts.

The Arkansas Power & Light Co. pays us at our standard rate for the power and energy we deliver to them and they are charging exactly that same thing, less the carrying charge of 1 mill which we pay in

credit to the Arkansas Power & Light Co. They are charging the aluminum plant exactly what it is costing them, and they in turn are furnishing the rest of the kilowatt-hours at a rate agreed upon between them and the aluminum company.

Mr. NORRELL. And the rate to the aluminum company is what?

Mr. WRIGHT. In addition, the contract tentatively provides for 5-percent increase in rate at the end of 10 years.

And 5 percent again at the end of 20 years, for primary power and it provides for a secondary power rate of a mill and a quarter for 5 years, a mill and a half for next 10 years, 1¾ mills for next 5 years, and then 2 mills for the last 10 years.

I have not personally negotiated this contract. It has been personally handled either by the Assistant Administrator of the Southwestern Power Administration or by the Under Secretary of the Interior, who has been handling these negotiations in the last few weeks.

LOCATION OF ALUMINUM PLANT DOES NOT AFFECT RATES

Mr. NORRELL. Under that contract with the Southwestern that may eventually be carried out regarding that aluminum plant, would the power be delivered by the Arkansas Power & Light Co. at certain points or would it be delivered for the same rate at any point where the aluminum plant may be located?

Mr. WRIGHT. As I understand it, any point.

Mr. NORRELL. Any point?

Mr. WRIGHT. There is no point specified in our contractual arrangement.

Mr. NORRELL. Assuming that the same rate is to be charged in any area in Arkansas where an aluminum plant may be located, let us say that the contract provides for that and I understand that it does, would there be any way then whereby the Arkansas Power & Light Co. might of its own accord and with its own authority, and without the concurrence of the Southwestern Power Administration make a lower rate if the plant should be located, say, in one certain area or some other area?

Mr. WRIGHT. There could be no way of making any lower rate, because that is incorporated in the contract, and could not be changed without Southwestern Power Administration's consent.

Mr. NORRELL. They could not do it?

Mr. WRIGHT. No, sir.

Mr. NORRELL. Well, that confirms my opinion.

However, frankly, there is some argument going on in the State, as you know, regarding where the plant should be located, and some of the people think that maybe some section might be given a more favorable rate than other sections. I told them that I did not think it could be done.

Mr. WRIGHT. Not under that contract. Under it, no more favorable rate could be given and certainly the location of that plant should be made to the best interests of the aluminum producer, and I think that anywhere within reason the company can furnish that power.

Mr. NORRELL. Now in Arkansas, as a matter of fact, if anything like that was attempted, would not the power company have to secure not only the agreement of the Southwestern Power Administration

but also get the approval of the State corporation commission that has jurisdiction over the utilities in that area?

Mr. WRIGHT. Well, certainly, to change the rate they would have to get the concurrence of the Southwestern Power Administration and I certainly think they would have to get the concurrence of the utilities commission.

Mr. NORRELL. That would be your opinion?

Mr. WRIGHT. Yes, sir, that it would have to get the approval of the commission.

Mr. NORRELL. I would like to say, Mr. Chairman, that I am very happy that this contract is being entered into. There is no reason in the world why the public and private power cannot both live together and cooperate and get along.

EFFECT OF WHEELING AGREEMENT ON COSTS

Will this wheeling agreement that you are about to enter into with these several companies have a tendency to increase or decrease your operating and maintenance costs?

Mr. WRIGHT. It will have a tendency to greatly decrease them.

Mr. NORRELL. To decrease them?

Mr. WRIGHT. Not from what it is now, but what it would have to be without the Wheeling contract.

Mr. NORRELL. I believe that the only increases here in maintenance that you are asking for are found on page 81 of the justifications. Am I correct in that statement?

Mr. KANE. Page 69 gives a breakdown, Mr. Norrell.

Mr. NORRELL. Will you just discuss briefly the increases in the maintenance and operation?

Mr. WRIGHT. With your permission, I am going to let my budget officer, Mr. Kane, answer that because he is intimately familiar with that detail.

Mr. NORRELL. All right, will you give us just a brief statement.

Mr. KANE. Very well, sir.

Our estimate for the operation and maintenance appropriation is broken down into three activities.

INCREASE REQUESTED FOR SYSTEM OPERATION AND MAINTENANCE

The first activity is system operation and maintenance. That covers the direct charges of operating and maintaining the transmission lines and the substations and the switching stations.

We are asking for an increase there of $78,000 over our 1952 base, which has been adjusted to take care of pay increases which were absorbed in 1952.

Now, that $78,000 covers blue-collar workers. We have a detailed breakdown of the new positions that are being requested in that activity, on page 73.

If you will notice, we have four classified employees who might be called white-collar workers, but they are the men that will plan and supervise the operations of the men who go out and actually climb up the poles. There are four of those positions requested in 1953 over 1952.

Then, we have a listing of our unclassified employees. There are 27 of those all together, such as electrical foremen and linemen, substation operators, laborers, truck drivers, and so on.

Mr. NORRELL. That is a total of 31?

Mr. KANE. Yes, sir.

Mr. NORRELL. And $98,000 is the total amount?

Mr. KANE. Yes, sir. Now, that is an increase of $98,000 in system maintenance.

Mr. NORRELL. Would that increased personnel go into your division?

Mr. KANE. It would be in our division of operations.

Mr. NORRELL. All right, go ahead.

Mr. KANE. If you will notice, that increase is for $98,000.

Now, our net increase shown at page 69 is $78,000, so obviously we are going to have some reductions in another type of expenditure.

We have another increase for travel, $10,000 for regional men to travel around; to cover these, we have that amount.

We have a decrease in 1952 of $38,000 and that represents the decrease in the materials and supplies that we are using to operate and maintain the system.

In other words, when we withdraw from our warehouse materials to go out and operate and maintain lines, that is chargeable, of course, to this appropriation.

Well, we have been covering the system that has been built so far rather extensively in the last couple of years, in order to keep it in good condition. We have now reached the point where we do not think we will have to spend so much money for that purpose, and so therefore we have reduced it, we have decreased that by $38,000, which gives a net increase of $78,000 for system operation and maintenance.

Mr. NORRELL. All right. Let us discuss the other items.

INCREASE REQUESTED FOR POWER MARKETING

Mr. KANE. Power marketing. With reference to that, you will find a breakdown of that on page 68.

We are asking for an increase of $8,300 for power marketing. Now, once again, we are distributing the costs of personal services and other expenses on an actual cost basis, so that part of the people who are in what we call power marketing are also doing work which is properly chargeable to what we call general administration. These are the people that take care of the billing operations, and so forth.

INCREASE IN PERSONNEL

We are asking for an increase in personal services of these people of $16,060 in 1953 and we are also asking an increase of $2,000 in travel.

Now, in breaking that down between the two activities, $8,300 of that increase goes to power marketing and $9,750 is to the general administration activities which I will discuss in more detail later.

The increases cover some reallocation of one technical and one clerical position in the division of sales.

We are asking for a commercial specialist, a new position, a GS–12, which is $7,040.

We are also asking for a clerk-stenographer at $3,175 and a clerk-typist at $2,950.

That will bring the division of sales up to the number of technical people and clerical help that are needed to take care of contract negotiations which are continually going on under contractual arrangements that we have with the private power companies, and with the cooperatives.

That will bring the staff up, I believe, Mr. Neighbors, is that not right, to about 20?

Mr. NEIGHBORS. Taking in the outside offices or just the division of sales?

Mr. KANE. Just the division of sales.

Mr. NEIGHBORS. The division of sales now has 12 and it will bring it to 15.

MAKEUP OF GENERAL ADMINISTRATION

Mr. KANE. In general administration, it is an awfully difficult thing, I think, for us to get this over to the committee, but I have tried to indicate to you by the use of the tables, beginning at page 84 and going through to page 86, how we charge to general administration.

Now, this is the part of the overhead expenses which should be costed on the basis of time, application of personnel, and materials and supplies.

I have broken that down by the organization units in Southwestern Power Administration, indicating increases and decreases in different divisions.

For instance, the division of engineering is going down in personnel services in 1953 in comparison with 1952 in the amount of $51,000.

Now, that is caused and properly so because we are getting through with construction.

Mr. NORRELL. Yes; I understand that.

Mr. WRIGHT. The net increase is only $6,495.

Mr. NORRELL. All right, that is all.

Mr. KIRWAN. Mr. Jensen.

OBLIGATION TO FURNISH POWER

Mr. JENSEN. I would like to ask you, Mr. Wright, in case an industry moves into the southwest area and asks for power, does your contract provide that the private companies are obligated to run transmission lines necessary to furnish the power, new transmission lines, if such transmission lines are necessary?

Mr. WRIGHT. No, sir; they do not, but they provide that the company would have to provide the electrical service for the Government at the nearest point on its existing system to that industry that could be provided, and then the Government might make an extension.

Actually, as a matter of practice, if any new industry wanted to locate there, just as the aluminum plant, just as in that case we would immediately get together with the private company and work like beavers to try to serve this new fellow.

Now, we would never and we never have attempted to try to get this new person on our system, and it has been very successful and we have had operating committees on that for years down there.

The company and the Government together would work out the most feasible and economical and best way to serve it, and that would be our offer and we have had joint offers made to many, many industries down there.

ADVANTAGE TO PRIVATE INDUSTRY

Mr. JENSEN. I have the feeling that the only reason that private industry goes under the contract in which they take your power is because, and only because, they feel safe in doing that. If they find that they have got more power production in their steam plant than is necessary to furnish by them, they can shut down the steam plant until such time as the hydro power, your power, may be curtailed. That is the safeguard for them.

Mr. WRIGHT. That is part of it.

Mr. JENSEN. When they do not run a steam plant they naturally make a saving.

Mr. WRIGHT. That is part of it. There is still another part.

They know that anywhere from 1 kilowatt of hydro to 2 kilowatt of steam can be varied 50 percent either way and they still get perfect integration.

That means that they can take, if they have as much as 5,000,000 kilowatts of fuel-burning generation, they can use anywhere up to 2,500,000 kilowatts of hydro advantageously into their system, and they can use some of that, down to 100,000 kilowatts.

So, they have a tremendous flexibility in where they can fit the hydro in with their steam generation.

They can use it for maintenance, they can use it to save some fuel, and they can use it for condenser action, because a hydro plant, say, with 120 tons of rotating capacity on the line acts very much like a flywheel on an engine, it stabilizes the electrical characteristics of the system without using any wire.

You have a net decrease in your losses by the use of this, and so the whole thing acts just as you said, that is, they can afford to buy whatever the Government wants to put in because there is a way they can use it.

NECESSITY OF APPROVAL OF FEDERAL POWER COMMISSION

Mr. JENSEN. Now, will it be necessary to get the approval of the Federal Power Commission?

Mr. WRIGHT. Yes, sir.

Mr. JENSEN. Before these contracts can be negotiated?

Mr. WRIGHT. That is right, sir, and likely the companies will have to secure the approval of each of the regulatory commissions under whose jurisdiction they are.

Mr. JENSEN. I was just going to ask you that.

Mr. WRIGHT. Yes, sir.

Mr. JENSEN. Well, I want to say that I am very happy to know that this thing has come out as it has and that the relationship between you and private industry down there has ironed out in a very satisfactory manner, apparently.

Now, these contracts are on the desk of the Secretary and, of course, you do not know whether he is going to sign them or not, do you?

Mr. WRIGHT. No, sir; but I have pointed out in my letter asking for comments and suggestions that can be considered in the final

negotiations, that this contract must be or should be in effect in June of this year to alleviate very critical power conditions that are going to exist certainly in Louisiana and very likely in Texas.

Mr. JENSEN. So that it is quite possible that we will know the outcome of Mr. Chapman's decision before this Congress adjourns.

Mr. WRIGHT. I certainly hope so.

Mr. JENSEN. That is all.

Mr. KIRWAN. Dr. Fenton.

Mr. FENTON. Mr. Chairman, I only have a very few general questions and if the Administrator does not care to answer them, he need not answer them now, he can supply the information for the record. I would appreciate that; and it will save time.

Mr. KIRWAN. All right.

Mr. FENTON. I am sorry that I was not here at the beginning of your statement, Mr. Wright. There are a number of things that have concerned me the past year or two.

DATA ON NUMBER AND CAPACITY OF POWER PLANTS IN SOUTHWEST

I would like to know if the Administrator could supply for the record just how many hydro power plants the Southwestern has under its jurisdiction.

Mr. WRIGHT. Yes, sir.

Mr. FENTON. And also the number of steam plants.

Mr. WRIGHT. We have no steam plants.

Mr. FENTON. How much power do you develop annually from your hydro plants?

Mr. WRIGHT. We can give you that.

Mr. FENTON. And if you can, supply for the record how many hydro plants are operated by private power companies?

Mr. WRIGHT. Yes, sir.

Mr. FENTON. Also their steam capacity and number of plants.

Mr. WRIGHT. I am not so sure that I can get that for you, the steam capacity of those private companies, but I will do what I can and I will give you the best figures that I can get. They have such a tremendous program under construction at the present time. Power production in the Southwest is doubling every 5 years and you can see what that means, geometrically; it is almost impossible to see how in the world they will get it. That means that if it is 5,000,000 kilowatts today, that you have got to have to plan for 5,000,000 kilowatts more 5 years from now.

Mr. FENTON. And how much power you bought from the private companies.

Mr. WRIGHT. We will get that, the best we can.

Mr. FENTON. And are there any other Government facilities, power facilities, such as the Army engineers, in construction and being operated?

Mr. WRIGHT. Yes, sir; we will do the best we can on that.

Mr. FENTON. And also I would appreciate knowing how much money is collected annually.

Mr. WRIGHT. I have already inserted that in the record, sir.

Mr. FENTON. I think that is all.

Mr. KIRWAN. You will supply those items, that Dr. Fenton has requested?

Mr. WRIGHT. Yes, sir.

(The following material was submitted in response to the above questions:)

Summary of power generation by Federal and private systems and power purchases by Southwestern Power Administration from private utilities

[Capacity in kilowatts]

	Fiscal year 1951	Fiscal year 1952	Fiscal year 1953	Fiscal year 1954
Federal: Hydro (8 plants)	157,000	347,000	430,000	505,000
Private:				
Hydro	96,000	96,000	96,000	96,000
Fuel	4,696,000	5,270,000	5,953,000	6,308,000
Subtotal, private	4,792,000	5,366,000	6,049,000	6,404,000
Total	4,949,000	5,713,000	6,479,000	6,909,000
Federal percent of total	3.2	6.1	6.6	7.3

The Administration will purchase 7,000,000 kilowatt-hours of power from private utilities in 1952 and will increase such purchases to 138,000,700 kilowatt-hours in 1953.

Mr. JENSEN. I overlooked a question that I would like to ask Mr. Wright now.

STATUS OF LITIGATION WITH STEAM PLANT

Will you give us a brief statement, Mr. Wright, regarding the status of the litigation involving the steam plant and the transmission lines they desire to be constructed under loan from the REA.

Mr. WRIGHT. In the District of Columbia the status of that litigation is that it has been ordered to be tried. The motions to dismiss and the motions for summary judgment were both denied. It has been ordered to trial. So far, there have been no injunctions granted.

Mr. JENSEN. As I understand it, the question is, What new arrangement can be made under existing law?

Mr. WRIGHT. I think, perhaps, that it is a little broader than that, though. I believe it is whether or not the REA allotment could be made for the construction such as in that case and whether or not the arrangement is in conformity with law.

There is also litigation locally in Arkansas.

Mr. JENSEN. And the case has been ordered for trial, you say.

Mr. WRIGHT. It is ordered to be tried. I do not know how soon that will be. I do not know whether there has been a request for injunctive relief or whether there is not. Certainly there has been none granted.

Mr. JENSEN. That is all.

CONTINUING FUND

Amounts available for appropriation

	1951 actual	1952 estimate	1953 estimate
Unappropriated balance brought forward	$2,047,455	$2,267,095	$2,260,000
Receipts	2,267,095	2,510,000	5,450,000
Total available for appropriation	4,314,550	4,777,095	7,710,000
Deposited in miscellaneous receipts	−2,047,455	−2,267,095	−2,260,000
Appropriation		−250,000	−1,425,000
Balance carried forward	2,267,095	2,260,000	4,025,000

Amounts available for obligation

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate		$250,000	$1,425,000
Prior year balance available	$300,000	300,000	300,000
Total available for obligation	300,000	550,000	1,725,000
Balance available in subsequent year	−300,000	−300,000	−300,000
Obligations incurred		250,000	1,425,000

Obligations by activities

Description	1951 actual	1952 estimate	1953 estimate
1. Purchase of power		$100,000	$925,000
2. Rental of transmission facilities		150,000	500,000
Obligations incurred		250,000	1,425,000

Obligations by objects

07 Other contractual services:	
1952	$250,000
1953	1,425,000

Analysis of expenditures

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year			$25,000
Obligations incurred during the year		$250,000	1,425,000
		250,000	1,450,000
Deduct unliquidated obligations, end of year		25,000	150,000
Total expenditures		225,000	1,300,000
Expenditures are distributed as follows:			
Out of current authorizations		225,000	1,275,000
Out of prior authorizations			25,000

Mr. KIRWAN. For this item, the continuing fund, financed out of power revenues, the request is for $1,425,000.

Pages 88 and 89 of the justification will be inserted in the record at this point.

(The pages referred to are as follows:)

LIMITATION ON EXPENDITURES FOR PURCHASE OF POWER AND RENTALS

The continuing fund of Southwestern Power Administration was amended by the Congress in the Interior Department Appropriation Act, 1952 as follows: "*Provided*, That expenditures from this fund to cover costs in connection with the purchase of electric power and energy and rentals for the use of facilities are to be made only if such amounts as may be approved annually in appropriation acts and for the fiscal year 1952 such expenditures may be made not in excess of $250,000."

In compliance with the direction of the Congress, language limiting such expenditures for the current fiscal year is proposed for inclusion in the President's budget.

It is estimated that in 1953 the expenditures for the purchase of power, service charge for use of transmission facilities, and rental payments on transmission lines leased from rural electric cooperatives will amount to $1,425,000. This amount is broken down under the following activities:

	Power purchases and service charges	Rental of transmission facilities
Oklahoma utility companies	$193,500	
M & A Electric Power Cooperative	37,500	
Central Electric Power Cooperative	429,000	$248,000
Western Electric Cooperative	265,000	177,000
Sho-Me Power Corp		75,000
Total	925,000	500,000

The sales to preferred customers served from the transmission systems of the two Oklahoma utility companies in accordance with the terms of the contract between the Government and the companies are estimated to be 34,400 kilowatts and 151,000,000 kilowatt-hours in 1953. The payment to the companies for power purchased and service charges in connection with the sale of the above power and energy to preferred customers will amount to $193,500.

Under the terms of a contract now being negotiated with the M & A Electric Power Cooperative, the Government will pay the cooperative a service charge for the use of the cooperative's transmission system in delivering the Government's power to customers of the Government. It is estimated that a payment of $37,500 will be made to the cooperative for this service during the fiscal year 1953.

This Administration has contracts with the Central Electric Power Cooperative and the Western Electric Cooperative that provide for the purchase by the Government of steam-generated energy produced at power plants owned by the cooperatives. This Administration also has contracts with these two cooperatives and the Sho-Me Power Corp. covering the lease by this Administration of the transmission lines and facilities owned by the cooperatives. According to present construction schedules, the two steam plants and the three transmission systems are scheduled for completion on September 1, 1952. It is the opinion of this Administration that, due to possible delays in arrival of materials needed to finish construction of the plants and transmission lines and the time required to inspect and test the facilities, this Administration will not make payments to the cooperatives for the purchase of power or rentals of leased transmission lines before January 1, 1953.

BASIS OF REQUEST

Mr. KIRWAN. Mr. Wright, is this request based on actual contract provisions concerning the amount of power to be purchased and number of lines to be leased?

Mr. WRIGHT. Yes, sir; it is, and I would like to make a brief statement and then I am going to ask Mr. Neighbors, our Sales and Marketing Chief, to tell you how he arrived at these figures.

In discussions with the companies, we have been very frank in these negotiations that we entered them on that basis. We know that they protest certain actions that we take, and we have disagreed with some that they take.

They have advised me that they do not oppose this provision for this fund except that they do not think that we ought to use it to buy power from the cooperatives.

Now, they may come up here and tell you that. Of course, they are American citizens and they have got a right to come up and tell you that.

I do not know whether they are going to protest; but, if they do protest, in my judgment it will not be protesting the amount of this fund, but protesting the use of it to buy power from the cooperatives rather than buying from them.

They may protest, or at least one of them may protest the funds for western Missouri completion. I think they are wrong, and they

think that I am wrong here. But we are still going to work it out together, whichever one wins it.

Now, on this thing here, we are giving you the best guess that we know how to give of the money that we will need to carry on our contractual obligations with Texas and Oklahoma companies and with the generating and transmission companies and with the 12 companies here under the premise that this contract will be in operation a part of that year.

Now, I would like to have Mr. Neighbors put these figures together and tell you how he arrived at them.

Mr. NEIGHBORS. Well, gentlemen, I have prepared a tabulation showing the exact figures and how it was based, and I would like to have the permission to insert it in the record.

Mr. KIRWAN. It may be inserted in the record.

(The tabulation referred to is as follows:)

Summary of power purchases and rental of transmission facilities to be paid from continuing fund in 1953

	Power purchases and service charges	Rental of transmission facilities
Oklahoma Utility Cos	$193,500	
M & A Electric Power Cooperative	37,500	
Central Electric Power Cooperative	429,000	$248,000
Western Electric Cooperative	265,000	177,000
Sho-Me Power Corp		75,000
Total	925,000	500,000

Service charge and cost of power under Oklahoma contract, fiscal year 1953

1. Sales under Oklahoma contract, 55,000 kilowatts and 132,000,000 kilowatt-hours a year:		
(a) Sales to preferred customers: 34,400 kilowatts and 151,000,000 kilowatt-hours a year.		
(b) Service charge and cost of energy:		
(1) Service charge: 151,000,000 kilowatt-hours ×$0.00125 equals		$189,000
(2) Cost of energy:		
Kilowatt-hours delivered by companies	151,000,000	
Kilowatt-hours delivered to companies	132,000,000	
Kilowatt-hours purchased from companies	19,000,000×$0.004 equals	76,000
Total		265,000
(c) Payment from companies:		
(1) Capacity purchased by companies, 34,400 kilowatts×.15=5,160 kilowatts. 5,160 kilowatts×$1.15×12 equals		71,188
Total		193,812
2. Payments to M. & A. Electric Power Cooperative (estimated energy delivered by cooperative to Government's customers, 30,000,000 kilowatt-hours a year). Service charge: 30,000,000 kilowatt-hours×$0.00125 equals		37,500
3. Payments to Central Electric Power Cooperative:		
(a) Power purchases:		
Guaranteed purchases for year, 115,000,000 kilowatt-hours.		
Estimated purchases for 1953, 57,200,000 kilowatt-hours: 57,200,000 kilowatt-hours×$0.0025 equals		429,000
(b) Rental of transmission facilities:		
Estimated cost of system		8,026,000
Estimated annual rental		415,000
Estimated rental in 1953		248,000
4. Payments to Western Electric Cooperative:		
(a) Power purchases:		
Guaranteed purchases for year, 225,000,000 kilowatt-hours.		
Estimated purchases in 1953, 62,500,000 kilowatt-hours: 62,500,000 kilowatt-hours×$0.00425 equals		265,625
(b) Rental of transmission facilities:		
Estimated cost of system		6,906,000
Estimated annual rental		354,000
Estimated rental in 1953		177,000
5. Payments to Sho-Me Power Corp.: Rental of transmission facilities:		
Estimated cost of system		2,775,000
Estimated annual rental		150,000
Estimated rental in 1953		75,000

FIVE CONTRACTS INVOLVED

Mr. NEIGHBORS. We have gone on the basis that it can be broken down into five parts, namely, under utility-type contracts, under an arrangement with the following—the Oklahoma utility companies, with the M. & A. Electric Power Cooperative, with the Central Electric Power Cooperative, the Western Electric Cooperative, the rental of those lines and the rental of the lines of the Sho-Me Power Corp.

Mr. WRIGHT. I want to point out to the committee that this means the purchase of power from this power plant [indicating on map] and for the purchase of power from this plant [indicating] and into the area that I am showing here [indicating], the area which I have shown the status of, where the Oklahoma contract already exists.

Mr. NEIGHBORS. All of those transmission lines and power lines are well under construction now. They have their materials and the lines are well along toward being finished.

The construction schedule is prior to January 1, next year, for completion of all of those facilities.

Now, we do not think that they are going to quite meet this construction schedule and our guess is that they will not be ready for service before January 1, and we have estimated the payment of rentals and the purchase of power on that basis. They could possibly be finished before January 1, which might cost us a little more money. We do not think they will be. They could be delayed a little bit beyond that time, but the people from our engineering staff feel, and it is their opinion that those lines and facilities will be ready for us to lease and purchase power from by January 1.

If that is correct, then we have just simply calculated it in accordance with the terms of the contract that we have, what our payment would have to be under the terms of those agreements.

Now, in the case of M. & A. Electric Power Cooperative, we have definite commitments, contracts we have with towns, such as Poplar Bluff, Campbell, and Sikeston and we have calculated the amount of power they will have to carry over their lines, for which we pay them direct charges different from the other leasing arrangements.

That is the best information that we have, going exactly by the terms of the contracts that we have with these cooperatives; these are the amounts of money that we will need to pay to those people.

Mr. WRIGHT. Based, as you can see, gentlemen, on the 6 months' estimate during the next fiscal year, and I want to point out to you that we have already signed contracts with the people to whom this power is to be delivered, once the facilities are completed. As soon as they get the facilities completed, the power will start.

Mr. NORRELL. For this, I believe the amount is $1,425,000, that is the total.

Mr. WRIGHT. Yes, sir.

SERVICE OF POWER PURCHASED BY SOUTHWESTERN ADMINISTRATION

Mr. NORRELL. And if that money is allowed, from whom, for the record, would you purchase the power? Give the names of the people from whom you would get the power.

Mr. NEIGHBORS. From the two Oklahoma companies, the Oklahoma Gas & Electric Co. and the Public Service Co. of Oklahoma;

from the Central Electric Power Cooperative in Missouri; and from the Western Electric Cooperative in Oklahoma.

Mr. NORRELL. Assuming, which is impossible, I know, the steam plant can be constructed and the transmission lines constructed under the loan that the suit is about, none of the power that you desire here could possibly come from the steam plant for these transmission lines?

Mr. WRIGHT. No, sir, that is correct, Mr. Norrell, because they would not be finished. The one in which the litigation is involved is the Northwest Cooperative, and that will be finished, and the other is the Arkansas Cooperative.

But, I would like to make this statement, that if we did not buy this power from the cooperatives to serve these people who got contracts, then we would have to buy from the private power companies because we will have to be serving these people with something from somebody.

The amount of money, as the power companies agree with me, is not challenged, it is a question of whom I am going to buy it from. They know that I need about this much money to make this operation.

Mr. NORRELL. And this has nothing to do with whether or not this steam plant is constructed.

Mr. WRIGHT. No, sir.

Mr. NORRELL. Nor is it in any way connected with it.

Mr. WRIGHT. No, sir. Now, next year, if it were constructed and if after the litigation they said it would be all right, items would be added to that for whatever these would require.

Mr. NORRELL. But if this amount were required you would simply put it into the language we adopted in the bill last year.

Mr. WRIGHT. That is correct.

Mr. NORRELL. And you would simply delete the $200,000 and write in there $400,000 and there would be no further change.

Mr. WRIGHT. That is correct.

REQUEST AVAILABLE ONLY IN 1953

Mr. KANE. That would be each year under that arrangement, as this $1,425,000 would be available only in 1953, and in 1954 when we come before you we will have to get specific approval from Congress.

Mr. NORRELL. Then, the way you construe this language is that you can spend only $1,425,000 for power and you could not pyramid it or double it.

Mr. WRIGHT. That is correct; no question about that.

Mr. JENSEN. Mr. Wright, will it make any difference or have any effect on the signing of these contracts with the private utilities which you now have lying on the Secretary's desk, regardless of the court's decision regarding it?

Mr. WRIGHT. I do not think it would have a bit of effect on it; it should not.

Mr. JENSEN. No effect whatsoever.

Mr. WRIGHT. I do not think so. I think you need the contracts in either event and I think they are equally effective in either event.

CONTRACT UNDERSTOOD BY PRIVATE COMPANIES

Mr. JENSEN. And you think that is fully understood by the private companies.

Mr. WRIGHT. I think it is by them, and I will point out to these gentlemen that this contract has been fully gone over by every preferred customer that has evidenced any interest in it in the Southwest and I personally have gone over it word by word and line by line with them, and they have indicated unanimous approval.

Mr. JENSEN. That is all.

EXPENDITURES FULLY OFFSET BY REVENUE

Mr. NORRELL. One question. This money, if granted and used would be used for the purchase of power that would be sold and the money would be collected in equal sum or in excess of the money appropriated and that would go back into the Treasury of the United States.

Mr. WRIGHT. That is correct. You would get back more. There is no way to store electricity. The only way is that you have to buy it and use it instantly, for which you would pay under the standard rate.

Mr. NORRELL. The point that I am trying to make is that the money that is taken out of the Treasury for that will be either balanced or the Treasury will earn a little more by the expenditure of this money.

Mr. WRIGHT. Yes, sir; I hope a whole lot more.

Mr. KIRWAN. I want to say that we enjoyed your visit and presentation, Mr. Wright, which you gave to the committee this morning and we hope that everything turns out all right between the Government and the private utilities in the Southwest.

COMMISSION OF FINE ARTS

WITNESSES

DAVID E. FINLEY, CHAIRMAN
H. P. CAEMMERER, SECRETARY

SALARIES AND EXPENSES

Amounts available for obligation

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate	$14,530	$20,000	$26,400
Proposed supplemental due to pay increases		1,200	
Total available for obligation	14,530	21,200	26,400
Unobligated balance, estimated savings	−14		
Obligations incurred	14,516	21,200	26,400

Obligations by activities

Commission of Fine Arts:	
1951	$14,516
1952	21,200
1953	26,400

Obligations by objects

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions	2	2	4
Average number of all employees	2	2	4
Average salaries and grades:			
General schedule grades:			
Average salary	$4,465	$5,767	$5,412
Average grade	GS-6.5	GS-8.5	GS-8.3
Crafts, protective, and custodial grades:			
Average salary			$2,420
Average grade			CPC-2.0
01 Personal services:			
Permanent positions	$8,846	$11,515	$18,505
Part-time and temporary positions		2,200	
Regular pay in excess of 52-week base		60	70
Total personal services	8,846	13,775	18,575
02 Travel	3,704	5,525	5,925
04 Communication services	256	400	400
06 Printing and reproduction	310	300	300
07 Other contractual services	775	700	700
08 Supplies and materials	625	500	500
Obligations incurred	14,516	21,200	26,400

Analysis of expenditures

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year	$961	$1,383	$1,200
Obligations incurred during the year	14,516	21,200	26,400
	15,477	22,583	27,600
Deduct unliquidated obligations, end of year	1,383	1,200	1,200
Total expenditures	14,094	21,383	26,400
Expenditures are distributed as follows:			
Out of current authorizations	13,133	18,850	25,200
Out of prior authorizations	961	1,383	1,150
Out of anticipated 1952 supplemental for pay increases		1,150	50

MISCELLANEOUS

Allocations Received From Other Appropriation Accounts—

NOTE.—Obligations incurred under allocations from other appropriations are shown in the schedules of the parent appropriations, as follows:

"National Capital Sesquicentennial Commission."

Mr. KIRWAN. The next estimate is that for "Salaries and expenses, Commission of Fine Arts."

The estimate for 1953 is $26,400. The appropriation for 1952 was $20,000. Of the increase of $6,400, $1,200 is for increase in salaries due to the 1951 Pay Act and $5,200 is for additional staff and travel.

Please give us an explanation of the estimate.

Mr. FINLEY. I have a general statement which I would like to place in the record and then briefly explain our request for 1953.

(The statement referred to follows:)

GENERAL STATEMENT

Mr. Chairman and members of the committee, I am grateful for the opportunity to appear before this committee of the Congress, in behalf of the Commission of Fine Arts. Our estimate for the fiscal year 1953 is as follows:

Appropriated, 1952, $20,000; estimate, 1953, $26,400; increase, $6,400.

The increase of $6,400 is requested in order that the Office of the Commission of Fine Arts may be properly staffed and to meet the increased cost of $1,200 incurred by the Salary Act of October 24, 1951 (65 Stat. 612). During the current year the staff has been supplemented to a small extent by the employment of a research assistant on a part-time basis. An increase of $2,380 is requested in 1953 to permit the full-time employment of a research assistant, and $2,420 is requested for the employment of a messenger, who would also perform subclerical duties. An increase of $400 is requested for "Other objects."

The membership of the Commission of Fine Arts consists of David E. Finley, Chairman; Edward F. Neild, Sr., Vice Chairman, architect; Prof. Joseph Hudnut, architect, and dean of the Graduate School of Design of Harvard University; Prof. Pietro Belluschi, architect, and dean of the School of Architecture and Planning, Massachusetts Institute of Technology; Felix W. deWeldon, sculptor; Elbert Peets, landscape architect and city planner; George Biddle, painter.

The members are appointed by the President and serve without compensation. Since the creation of the Commission of Fine Arts by the Congress on May 17, 1910, the members have been representative of their several professions, and have been men of training, experience, and achievement and considerate in dealing with other artists. They give freely of their time out of patriotic devotion and because of their interest in maintaining a high standard in the fine arts in this country.

During the fiscal year 1951 the Commission of Fine Arts held seven meetings and numerous committee meetings. The members are constantly attending to matters submitted to the Commission of Fine Arts for advice, particularly in the fields of architecture, sculpture, painting, and landscape architecture. The President, the executive departments, and committees of Congress, as well as Members of Congress individually, confer with the Commission concerning fine-arts projects. A list of the more important projects that were submitted and considered during the fiscal year 1951 is appended to this statement.

During the past fiscal year the Commission of Fine Arts was consulted with reference to the work of renovation of the Chambers of the Senate and the House of Representatives.

The Commission has also advised the Public Buildings Administration with regard to sculpture and paintings for the General Accounting Office Building, which is one of the largest Government office buildings in the District of Columbia and will house 10,000 employees.

Similarly, the new Federal courthouse at Third Street and Constitution Avenue is nearing completion. The Commission advised the Public Buildings Administration with regard to sculpture and paintings for that building during the past fiscal year.

The Commissioners of the District of Columbia submitted to the Commission of Fine Arts designs for the new East Capitol Street Bridge, which will be over a mile in length, crossing the Anacostia River, and connecting with approaches to the National Capital from the east. Its cost will be about $12,000,000.

The Municipal Architect of the District of Columbia government submitted designs for several new municipal buildings during the past fiscal year, such as public-school buildings and Fire Department buildings.

The Commission of Fine Arts advises the Commissioners of the District of Columbia with reference to designs (under the Shipstead-Luce Act, approved May 16, 1930) submitted by the Director of Inspection of the District of Columbia. During the past 21 years there have been nearly 1,500 submissions to the Commission of Fine Arts under this act.

The Commission is advising the American Battle Monuments Commission, in accordance with Public Law 456, Seventy-ninth Congress (approved June 26, 1946), section 3, as follows:

> "That before any design or material for memorials is accepted by the Commission, the same shall be approved by the National Commission of Fine Arts."

Also, by act approved September 22, 1950 (Public Law 808, 81st Cong):

> "To regulate the height, exterior design, and construction of private and semipublic buildings in the Georgetown area of the National Capital."

The Commission of Fine Arts advises regarding designs submitted by the Director of Inspection of the District of Columbia to the Commission. During the past fiscal year there have been more than 200 submissions, and numerous conferences with other property owners in the locality regarding proposed projects. In this work the Commission has the assistance of an Advisory Board of Architectural Consultants, as provided in the act above referred to. The Board meets each week and serves without compensation.

In the design of new medals the Commission of Fine Arts aims to secure medals that have artistic merit. In this matter the Commission of Fine Arts has the cooperation of the National Sculpture Society, which numbers among its members many distinguished medalists.

In January 1951, the President requested the Commission of Fine Arts to conduct an inquiry and make "practical recommendations on how best to integrate and reorganize the present governmental art activities both in the regular set-up and the Defense set-up." At present governmental art activities are carried on by 10 different departments and agencies. A keen interest in this inquiry has been manifested by leading art organizations in the United States. The Commission has collected much valuable information and hopes soon to have a report for submission to the President.

Submissions to the Commission of Fine Arts

Monument to Simon Bolivar, design and model.
Headquarters building for the International Teamsters' Union, design.
Apartment building, Twenty-fifth and E Streets NW., design.
Office building, Sixth and D Streets NW., design.
Francis Scott Key memorial flagpole, design.
Memorial to Mahatma Gandhi, location.
Portrait of Mrs. Grover Cleveland for the White House.
Lawyers' Building, Third Street and Indiana Avenue NW., design.
Dental Building, Howard University, design.
Biology-greenhouse building, Howard University, design.
Sculpture for the new courthouse, models.
Sculpture for the National Institute of Health, Bethesda, models.
Freer Gallery of Art acquisitions.
John Barry statue for Ireland.
Sir John Dill monument, Arlington National Cemetery.
Portrait of Mrs. Hoover for the White House.
Douglas Junior High School, design.
Resurfacing the Arlington Memorial Bridge.
Shipstead-Luce Act submissions.
Submissions under the "Old Georgetown Act."
Marker for the grave of Brumidi, design.
First Division Memorial World War II, design.
Chandeliers for the White House.
Painting and sculpture for public buildings.
National Grange memorial, design.
Renovation of the White House, architectural designs.
Bust of Harry B. Mitchell, model.
Administration building, Howard University, design.
Government and art program.
Statue of Simon Bolivar, approval of model and location.
White House china, approval of gift.
Landscape plan for grounds of the American National Red Cross.
Rock Creek Park Apartment, design.
Design for fire-engine house, Forty-ninth Street and Central Avenue NE.
Design for fire-engine house, Irving Street near Twenty-fourth Street NE.
Seaton Elementary School, design, Second and I Streets NW.
Overpass, New York Avenue NE., design.
East Capitol Street Bridge, design.
Mural paintings for the General Accounting Office Building.
War art program, Museum Building, proposed.
National Portrait Gallery, proposed.
Shelter for East Potomac Park.
Water Gate Inn, design.
Sculpture for the American National Red Cross Annex, models.
Armed Forces Institute of Pathology, Army Medical Center, design.
Domiciliary building, Soldiers' Home, design.
Landscape plan for equestrian statue of Gen. Simon Bolivar.
Barnard Hill Park; suggested location for Mahatma Gandhi memorial.
Sculpture for the Arlington Memorial Bridge Plaza; four bronze equestrians, inspection in connection with design of pedestals.

WORLD WAR II MEMORIALS, U. S. A., SUBMISSIONS BY THE AMERICAN BATTLE MONUMENTS COMMISSION

American military cemetery at—

Manila, P. I. (to mark fighting in the Pacific): Further considerations of details of design.

St. Laurent, France (Omaha beachhead, to commemorate crossing the English Channel on D-day): Recommendations as to painters for large mural paintings.

St. Avold, France (marks the German campaign, the taking of Berlin, and the sweep through Austria).

NEED FOR FUNDS REQUESTED

Mr. FINLEY. The Commission, as you know, consists of seven members and acts in an advisory capacity. The expenses of the Commission are entirely for travel on the part of the members, who serve without pay, and for personnel and office expenses. The appropriation was $20,000 last year and we are asking for an increase, which the Budget Bureau has recommended, of $6,400 over the appropriation for last year.

Of that amount, $1,200 is to cover the cost of pay increase provided in the law last summer; $2,380 is for the full-time employment of the research assistant. We now have a part-time person who gives us some help; $2,720 for a messenger also is very much needed in order to carry papers to the various Departments and to do some clerical work. Then $400 is requested for miscellaneous expenses. We would like very much to have the additional amounts requested, so that the Commission could function more efficiently, particularly in view of the duties imposed on us by the Georgetown Act and the Shipstead-Luce Act.

In addition, last year the President asked the Commission to make a survey of the Government's arts activities and to make recommendations as to how these various activities could be better coordinated and integrated.

In the hearings which we have held during the last year persons who have testified, have done so at their own expense. Many persons from outside Washington, such as representatives of the American Institute of Architects and other such organizations, have given advice which will be very valuable to the Commission in arriving at conclusions and making recommendations to the President. We have heard also representatives of various Government departments that have to do with the subject and we are now studying all this testimony and preparing a report which we will submit to the President, I think, sometime in the spring.

Such a report should be a very useful document for there is no such survey of the Government's art activities in existence now. It will be similar to the report recently made in Canada which required 2 years to prepare at considerable expense.

I hope the Members of the Congress will find our report useful when it appears.

RENOVATION OF WHITE HOUSE

Mr. KIRWAN. What are you doing about the renovation of the White House?

Mr. FINLEY. The Commission of Fine Arts is not active in that, except that I meet with them and give them my advice on a voluntary

basis. The Commission also went in a body to the White House and viewed changes and was glad to approve them. We think it will be very much more beautiful than it was before.

Mr. KIRWAN. Off the record.

(Discussion off the record.)

REQUESTS FOR ADVICE

Mr. KIRWAN. Do you not find demands upon the Commission for advice lessened by curtailment of construction of structures in the District of Columbia?

Mr. FINLEY. No, sir. Our work has, in fact, increased a great deal in recent years. In the last year we have given advice as regards the General Accounting Office Building and the new Federal Courthouse on Constitution Avenue. Other work has come to the Commission recently such as administering the Georgetown Act. In order to do this we have the benefit of three advisory architects who serve without pay and meet once a week. They go over all submissions of plans for new buildings or alterations in the Georgetown area and make recommendations to the Commission, which are very helpful to us in approving or disapproving these submissions.

REQUESTS OF DEFENSE DEPARTMENT

Mr. CAEMMERER. The Department of National Defense is calling on the Commission constantly.

Mr. KIRWAN. Off the record.

(Discussion off the record.)

Mr. FINLEY. We have considered recently the plans for buildings at the Army Medical Center. The Commission has gone over the plans and I think improved them.

GEORGETOWN ACT

Mr. KIRWAN. If it is not too long, what is this Georgetown Act?

Mr. FINLEY. This act was passed by Congress in 1950 for the purpose of preserving the colonial character of Georgetown and to encourage the people to cooperate in this work both in the erection of new houses and in the alteration of old ones.

COMMISSION ADVISORY BODY

Mr. KIRWAN. Is the Commission a purely advisory body or does it have the power to prevent building?

Mr. FINLEY. No. It is purely advisory.

I think that is the strength of the Commission. The Government has the benefit of advice from seven qualified experts who serve without pay and are glad to render such service to the Government.

Mr. KIRWAN. And you think this money is necessary and needed?

Mr. FINLEY. I do, indeed. It is not a large amount and is all needed for the expenses of the Commission.

Mr. KIRWAN. And the rest of the work done by others who assist you is gratis to the Government?

Mr. FINLEY. Yes; and the Government gets valuable advice from men whose services would otherwise command high prices.

Mr. KIRWAN. Mr. Jensen, do you have any questions?

Mr. JENSEN. I think you have covered it pretty well, Mr. Chairman. I cannot think of any questions right now.

Mr. KIRWAN. Thank you for appearing, Mr. Commissioner, and Mr. Secretary.

WEDNESDAY, JANUARY 16, 1952.

BONNEVILLE POWER ADMINISTRATION

WITNESSES

DR. PAUL J. RAVER, ADMINISTRATOR
D. L. MARLETT, ASSISTANT ADMINISTRATOR
S. E. SCHULTZ, CHIEF ENGINEER
EARL D. OSTRANDER, CONTROLLER

CONSTRUCTION

Amounts available for obligation

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate	$44,622,000	$67,500,000	$67,696,400
Applied to contract authorization	−17,000,000	−21,000,000	−4,096,400
Contract authorization	20,000,000		
Proposed supplemental due to pay increases		590,000	
Prior year balance available (appropriation)		2,303,806	
Balance transferred from "Construction, operation, and maintenance, Bonneville power transmission system," pursuant to Public Law 759, 81st Cong.:			
Appropriation	611,508		
Contract authorization	1,120		
Reimbursements from other accounts	209,721	50,000	50,000
Total available for obligations	48,444,347	49,443,806	63,650,000
Balance available in subsequent year (appropriation)	−2,303,806		
Obligations incurred	46,140,541	49,443,806	63,650,000

Obligations by activities

Description	1951 actual	1952 estimate	1953 estimate
Direct obligations			
1. Construction in progress	$28,425,821	$42,133,806	$39,238,000
2. New construction	15,791,632	6,188,000	22,132,000
3. General plant	1,713,367	1,072,000	2,230,000
Total direct obligations	45,930,820	49,393,806	63,600,000
Obligations payable out of reimbursements from other accounts			
1. Construction in progress	209,721	50,000	50,000
Obligations incurred	46,140,541	49,443,806	63,650,000

Obligations by objects

Object classification	1951 actual	1952 estimate	1953 estimate
Summary of Personal Services [1]			
Total number of permanent positions	2,159	2,276	2,462
Full-time equivalent of all other positions	176	253	179
Average number of all employees	1,939	2,364	2,316
Average salaries and grades:			
General schedule grades:			
Average salary	$3,872	$4,549	$4,658
Average grade	GS-6.2	GS-6.9	GS-7.2
Crafts, protective, and custodial grades:			
Average salary	$2,900	$3,084	$3,051
Average grade	CPC-4.7	CPC-4.4	CPC-4.3
Ungraded positions: Average salary	$4,524	$4,504	$4,512
Personal service obligations:			
Permanent positions	$7,192,145	$9,191,547	$9,680,810
Part-time and temporary positions	697,176	941,749	747,396
Regular pay in excess of 52-week base		19,800	28,600
Payment above basic rates	380,426	296,028	219,257
Excess of annual leave earned over leave taken	246,269	198,000	110,000
Total personal service obligations	8,516,016	10,647,124	10,786,063
Direct Obligations			
01 Personal services	8,458,651	10,629,124	10,768,063
02 Travel	1,578,622	1,876,250	1,492,030
03 Transportation of things	846,639	651,329	11,152,724
04 Communication services	87,363	86,737	101,515
05 Rents and utility services	316,458	76,003	69,651
06 Printing and reproduction	21,541	19,967	20,501
07 Other contractual services	162,491	197,966	182,247
08 Supplies and materials	15,371,029	13,179,168	21,739,443
09 Equipment	10,869,307	7,874,113	13,799,263
10 Lands and structures	8,540,918	15,113,752	14,613,788
11 Grants, subsidies, and contributions	86,234	102,691	98,014
13 Refunds, awards, and indemnities	452		
Subtotal	46,339,705	49,807,100	64,037,239
Deduct charges for quarters and subsistence	220		
Total direct obligations	46,339,485	49,807,100	64,037,239
Less services performed for—			
Operation and maintenance	394,265	392,794	416,739
Reimbursable projects	14,400	20,500	20,500
Net direct obligations	45,930,820	49,393,806	63,600,000
Obligations Payable Out of Reimbursements From Other Accounts			
01 Personal services	57,365	18,000	18,000
02 Travel	30,071	5,000	5,000
03 Transportation of things	156		
04 Communication services	585	200	200
05 Rents and utility services	3,168	2,500	2,500
07 Other contractual services	17,289	100	100
Services performed by other agencies	14,400	20,500	20,500
08 Supplies and materials	28,704	3,600	3,600
09 Equipment	14,305		
10 Lands and structures	43,477		
11 Grants, subsidies, and contributions	201	100	100
Total obligations payable out of reimbursements from other accounts	209,721	50,000	50,000
Obligations incurred	46,140,541	49,443,806	63,650,000

[1] These figures were derived by applying the percentage of the total applicable to this appropriation on the basis of an analysis of specific activities. Since the Bonneville Power Administration realizes definite economies from conducting the construction program and the operation and maintenance program on an integrated staff basis, it is not possible in many cases to assign individual positions to a specific program. This method of prosecuting the Administration's programs is reflected in administrative provisions contained in appropriation language for the Bonneville Power Administration.

Analysis of expenditures

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year	$29,408,138	$42,539,562	$41,933,368
Obligations incurred during the year	46,140,541	49,443,806	63,650,000
	75,548,679	91,983,368	105,583,368
Deduct:			
Reimbursable obligations	209,721	50,000	50,000
Unliquidated obligations, end of year	42,539,562	41,933,368	53,033,368
Total expenditures	32,799,396	50,000,000	52,500,000
Expenditures are distributed as follows:			
Out of current authorizations:			
Out of appropriations to liquidate contract authorization	32,799,396	21,000,000	4,096,400
Out of new obligational authority		13,935,000	19,500,000
Out of prior authorizations		14,500,000	28,878,600
Out of anticipated 1952 supplemental for pay increases		565,000	25,000

Mr. KIRWAN. We will now take up the Bonneville Power Administration.

The construction appropriation for this year is $67,500,000, and the request for 1953 is $67,696,400, an increase of $196,000.

Do you have a general statement you would like to make, Dr. Raver?

Dr. RAVER. Yes, Mr. Chairman.

GENERAL STATEMENT

The Bonneville Power Administration estimates for fiscal year 1953 total $74,296,400. Of this amount $4,096,400 is for liquidation of prior years' contract authority, and $6,600,000 is for operation and maintenance of the transmission system. The remaining $63,600,000 is for the construction of transmission facilities.

With this appropriation it will be possible to liquidate all contract authority granted by Congress in fiscal years 1948 to 1951, inclusive, eliminating the necessity in subsequent years to request cash for programs for which obligations were authorized previously.

LOAD CAPACITY

The January peaking capability of Bonneville and Grand Coulee generators is now rated at 2,483,000 kilowatts, although on December 31, 1951, these generators were overloaded to carry a short-time peak load of 2,784,000 kilowatts. By January 1956, additional peaking capacity totaling 1,554,000 kilowatts will have been provided under present approved construction schedules. The Administration's construction program for fiscal year 1953 is based upon delivery of this power from new sources of generation to be installed between now and January 1956.

I have given the committee a table which shows the new Federal hydro generation scheduled for this period, which indicates the amount of capacity and the dams which are under construction containing those generators, which is back of our construction program request for this year.

(The table referred to is as follows:)

Additions to the existing Federal system by 1955–56 defense program U [1]

HYDRO PROJECTS

Project	Initial date in service	Installed capability,[3] January 1956	January peaking capability	At site prime power [2]	Downstream from new benefit storage [4]
Albeni Falls [5]	August 1952	43	21	27	90
Hungry Horse	September 1952	285	235	197	234
Detroit	June 1953	100	86	30	
Big Cliff	December 1953	18	21	10	
McNary	do	700	805	478	
Lookout Point (Meridian)	July 1954	115	22	21	
Dexter	June 1955	15	16	12	
Chief Joseph	December 1955	256	294	166	
Subtotal		1,532	1,500	941	324
Increase due to system integration			54	93	
Total		1,532	1,554	1,034	324

[1] Excluding Bureau of Reclamation projects in the Upper Snake Basin, Roza, and Chandler projects.
[2] Prime power is average over storage draw-down season.
[3] Name-plate rating.
[4] Storage benefit from the Hungry Horse and Albeni Falls projects is effective over the 1955–56 storage draw-down season at downstream plants as follows:

Grand Coulee	223
McNary	58
Bonneville	43
Total	324

[5] Usable storage of 1,140,000 acre-feet is available in August of 1952. Units are scheduled for initial operation August 1954.

The present system capabilities and the annual increases in power supply from the Federal projects included in the table are as follows:

In the present system the January peaking was 2,483,000 kilowatts. The prime power from that present system is 1,467,000 kilowatts.

Now, the additions that we have to take care of out of this appropriation request for transmission lines to carry the power to the market will be 123,000 kilowatts of peaking capacity in 1953, 406,000 kilowatts in 1954, 481,000 kilowatts in 1955, and 544,000 kilowatts in 1956.

In other words, during this period there will be added to the generating capacity of the region in the new dams of the Federal Government 1,554,000 kilowatts, which will give us a total peaking capacity at that time of 4,037,000 kilowatts.

Now, we have overloaded our generators in the past, and I assume we can with this capacity in the future. We will probably be able to carry a system peak at that time of around 4,500,000 kilowatts, when that generating schedule is completed.

DAMS UNDER CONSTRUCTION

Those dams which are under construction, as you know, are Albeni Falls, Hungry Horse, Detroit, Big Cliff, McNary, Lookout Point, Dexter, and Chief Joseph.

Since my last appearance before this committee it has been possible to accelerate the schedules for the installation of generators at McNary and Chief Joseph Dams.

The committee, I believe, is familiar with the location of those dams. Chief Joseph Dam is a new dam just below Grand Coulee Dam on the main stem of the Columbia.

Here [indicating] is Grand Coulee Dam, with respect to our transmission grid system; and Chief Joseph Dam is being constructed about 30 miles below Grand Coulee, I believe.

McNary Dam, which is on the main stream of the Columbia, above Bonneville Dam, is located at this point [indicating], above Portland.

McNary Dam has been under construction. It has been speeded up so far as the installation of generators is concerned.

The Dalles Dam, located between Bonneville Dam and McNary Dam, has been started or will be started this spring. It has been authorized, and plans have been made to start this spring. Some of the contracts have already been let.

The other dams which I spoke about, which are under construction, are the Albeni Falls Dam here on the border line between Washington and Idaho, right at the foot of Lake Pend Oreille, the outlet for the Clark Fork River.

Hungry Horse Dam, of course, you are quite familiar with, over in northwestern Montana. That is at the edge of Glacier National Park, on the South Fork of the Flathead River. That is on schedule and will begin coming into operation this fall, with storage water and some generation.

Detroit Dam is on the Santiam River here in Oregon, being constructed by the Army engineers as a flood-control dam, as a part of the whole Willamette flood-control program. It is on schedule and will come in, I believe, in 1953 for first generation.

Lookout Point is a part of the Willamette Valley flood-control program, and construction of that is going along on schedule.

Mr. JENSEN. Mr. Chairman, I would like to ask a question right at this point.

Mr. KIRWAN. All right.

DAMS UNDER CONSTRUCTION BY ARMY ENGINEERS

Mr. JENSEN. Do you have a list of the dams which are being built by the Army engineers, and those being built by the Bonneville Power Administration? Do you have them listed here in your statement?

Dr. RAVER. You mean those of the Army engineers?

Mr. JENSEN. Yes.

Dr. RAVER. And by the Bureau of Reclamation?

Mr. JENSEN. Yes. Do you have them listed here in your statement?

Dr. RAVER. Yes. They are listed in this statement. I can indicate to you which are which.

Mr. JENSEN. You do not have them separated, do you? I cannot see a separation.

Dr. RAVER. No; they are not separated in my statement, but I can indicate to you what the separation is.

Albeni Falls is being built by the Army. Hungry Horse is being built by the Bureau of Reclamation. Detroit is being built by the Army. Big Cliff is Army. Big Cliff is a reregulating dam for Detroit Dam. McNary is an Army dam. Lookout Point is an Army dam. Dexter is an Army dam. Chief Joseph is an Army dam. The Dalles, which is not on this list, because the generation will not come in in the period covered by our appropriation request here, is also an Army dam. Construction of this dam will be started this spring.

In addition to that, the Palisades Dam is a Bureau of Reclamation dam, in southeastern Idaho. We do not have it listed here because the power supply from that dam is not figured in our totals.

Mr. JENSEN. Thank you.

NEW TRANSMISSION LINES

Dr. RAVER. Mr. Chairman, that indicates the background of generation which is responsible really, for the request that we have for the transmission lines to carry that power away from these dams and into the load centers of the region. If it is agreeable with the committee I will discuss the transmission line program, then, from the map.

Mr. KIRWAN. All right.

CHIEF JOSEPH DAM TO SNOHOMISH SUBSTATION

Dr. RAVER. The principal items in our transmission request for this year are shown in red on this map, and include a double circuit 230,000-volt line from the Chief Joseph Dam to the Snohomish substation, located just north of Seattle.

Mr. JENSEN. How many miles?

Mr. SCHULTZ. One hundred and thirty-three.

Dr. RAVER. That is 133 miles.

Now, this line is being constructed as a double circuit steel tower line. It is being built so that eventually if needed we can increase the voltage on that double circuit from 230,000 volts to 300,000 volts or higher.

The economy of building a double circuit steel tower facility is great enough to warrant putting in the construction at this time, even though we may not have full use for both circuits immediately. There are rights-of-way problems in connection with a circuit of this capacity, which are becoming more and more difficult, and wherever possible we are planning and designing our major transmission lines for double circuits so as to reduce the rights-of-way, clearing, and acquisition problems, particularly across the mountain ranges.

That is really the major item in this particular appropriation request on new construction.

M'NARY DAM TO BIG EDDY

Our second major item is a 287,000-volt transmission line from McNary Dam to Big Eddy, which is a major switching station located at the point where The Dalles Dam will be constructed. This line is designed eventually to bypass Big Eddy and carry power directly from McNary Dam at high voltage into the Portland area. Power from The Dalles will go into the Dalles-Portland-southwestern Oregon areas primarily.

M'NARY DAM TO LA GRANDE TO BAKER

Those are the major 230,000-volt or higher voltage proposals in this appropriation request. In addition, we are again asking the committee to approve the extension of our 230,000-volt facility, now under construction from McNary to La Grande, from La Grande to Baker.

You will recall that last year we made that request, and it was approved by this committee. The Senate requested that we come in with further information on that before approving it. We have secured further information on the line and are asking for it again. We will submit that information later (see statement on page 107).

LINES OF LOWER VOLTAGE

There are some minor facilities in addition to those high-voltage lines included in our program of new construction. One is a 115,000-volt line extending our 115,000-volt facilities from Forest Grove, which is west of Portland, on west into the vicinity of Wheeler, a point near the coast in Tillamook County, where it can tie in with the coastal facilities, the power operations along that area.

Then there is a request for a 115,000-volt extension from the J. P. Alvey substation up to Dexter and Lookout Point Dam, in addition to the circuit we have under construction there now.

I believe those are the major items of transmission involved so far as new construction is concerned. The balance of our request is largely a continuation of the program already authorized and already under construction, being the amount of money needed to carry on the construction work for the coming year.

LINES UNDER CONSTRUCTION

The major lines in that construction program which are now being constructed are the 230,000-volt facility from Maupin south to Klamath Falls, near the California border; completion of the circuits from Detroit Dam into the J. P. Alvey, Albany, and Chemawa substations, particularly getting our transformation facilities in and completed there; the completion of our facilities from the Portland area and Big Eddy back to McNary Dam; the Columbia-Olympia 230-kilovolt facility to be converted to 287 kilovolts; and, of course, a very large construction item involved in tying in Hungry Horse Dam and the Montana area facilities with those of the western part of the system, by construction of a 230-kilovolt transmission facility from Grand Coulee and Spokane east to Hot Springs, north to Hungry Horse Dam, and from Hot Springs to Anaconda, outside of Butte, Mont.

Those are the major items of construction which are still under way, although additional local facilities are also under construction. The line from La Grande is not completed yet. It is under construction yet, sir.

SUBMARINE CABLE TO SAN JUAN ISLANDS

One of the interesting major construction items of this last summer was the laying of a submarine cable from Anacortes, or a point just outside of Anacortes, Wash., just north of Seattle, over to the San Juan Islands, to provide service to the San Juan Islands. This was the largest submarine cable ever manufactured. It was approximately 7 miles long in one piece. It was about 4½ inches in diameter, I believe.

The laying of that cable was quite an engineering job. Our own engineers laid out the methods of laying the cable, and did lay it

themselves. It created quite a bit of interest nationally, for a cable of that size.

PROPOSED SUBMARINE CABLE TO BREMERTON AREA

I might mention, in connection with cables, that we are now planning the installation of a still larger cable—not so long but a much bigger cable. The one laid to the San Juan Islands was only a 24,000-volt cable. In order to save about 100 miles of 230-kilovolt transmission construction around the Tacoma-Puget Sound area and up into the Bremerton area, from the Snohomish substation, we are now studying the possibility, at least, of putting a 230,000-volt cable right across the Puget Sound area here directly into the Bremerton Navy Yard area. That has never been done before, but it will save several millions of dollars if we are able to do it. It will improve that service into the Bremerton area. This proposed cable across Puget Sound involves a program change from the plan discussed and approved last year for 230,000-volt facilities from Goldbar to Covington and thence to be extended around the southern end of Puget Sound into the Bremerton area. The revised plan for the cable crossing in this budget is much more economical, assuming we solve the difficult engineering problems.

We have the usual number of transformer and substation additions to the system, to take care of the growth and load.

I believe that covers in general the construction picture. I believe by questions and further discussion we can bring out other details of it.

SUMMARY OF CONSTRUCTION PROGRAM

Mr. KIRWAN. I would like to have inserted at this point in the record the table showing the construction program summary, appearing on pages 11 to 14 of the justifications.

(The table referred to is as follows:)

1952 construction program summary

Funds estimated to be available in 1953:

Budget estimate for additional appropriation for construction	$67,696,400
Estimated unobligated balance in 1952 to be available in 1953	
Total funds estimated to be available in 1953	67,696,400

Item number and facility	Estimated cost	Obligations to June 30, 1951		Program, fiscal year 1952		Program, fiscal year 1953		Balance to complete
		Appropriation	Unliquidated contract authority	Appropriation [1]	Liquidation	Appropriation [1]	Liquidation	
I. General—Major 230-kilovolt grid								
1. Grand Coulee-Midway No. 3	$4,497,000	$2,219,000	$1,649,000	$2,261,000	$1,649,000	$17,000		
3. Grand Coulee-Columbia No. 3	3,363,000	3,210,000	8,000	143,000	8,000	10,000		
4. Grand Coulee-Columbia No. 4	3,172,000	2,177,000	609,000	942,000	609,000	53,000		
5. Grand Coulee-Spokane No. 5	3,907,000	240,000	1,682,000	3,667,000	1,682,000			
6. Grand Coulee-Columbia-Olympia	14,306,000	246,000	3,041,000	6,447,000	1,858,000	6,163,000	$1,183,000	$1,450,000
7. Covington substation additions	631,000	352,000	25,000	116,000	25,000	147,000		16,000
8. Snohomish-Kitsap (Bremerton)	6,107,000			370,000		3,584,000		2,153,000
9. Grand Coulee-Snohomish No. 2	3,985,000	3,384,000	206,000	419,000	186,000	129,000	20,000	53,000
10. Chief Joseph-Snohomish No. 3 and No. 4	18,920,000					7,685,000		11,235,000
11. McNary-Big Eddy-Troutdale	13,172,000	648,000	2,189,000	6,486,000	1,153,000	5,696,000	1,036,000	342,000
12. McNary-Big Eddy-Ross	16,672,000			150,000		10,071,000		6,451,000
13. McNary (Maupin)-Detroit	6,919,000	118,000		1,704,000		3,778,000		1,319,000
14. Detroit-Albany	2,633,000	65,000	572,000	1,564,000	572,000	850,000		154,000
16. Detroit-Chemawa	5,286,000			876,000		1,760,000		2,650,000
17. Ross-St. Johns conversion	3,676,000	245,000	1,780,000	3,034,000	1,569,000	397,000	211,000	
18. Midway-Big Eddy-Maupin-Detroit	10,261,000	6,339,000	2,522,000	3,179,000	2,522,000	360,000		383,000
19. Detroit-Alvey	5,908,000	3,123,000	1,877,000	2,351,000	1,720,000	409,000	157,000	25,000
20. Southwest Oregon loop service	13,449,000	795,000	1,683,000	4,887,000	794,000	4,837,000	889,000	2,930,000
21. Coos Bay area service	3,254,000			16,000		255,000		2,983,000
22. McNary switching station	1,904,000	7,000		386,000		891,000		620,000
23. McNary-LaGrande	3,728,000	1,699,000	562,000	1,579,000	562,000	395,000		55,000
24. LaGrande-Baker	2,250,000	315,000				1,173,000		762,000
25. System reactive facilities	3,553,000	592,000	358,000	1,265,000	358,000	1,512,000		184,000
Subtotal	151,553,000	25,774,000	18,763,000	41,842,000	15,267,000	50,172,000	3,496,000	33,765,000

See footnotes at end of table, p. 102.

1952 construction program summary—Continued

Item number and facility	Estimated cost	Obligations to June 30, 1951		Program, fiscal year 1952		Program, fiscal year 1953		Balance to complete
		Appropriation	Unliquidated contract authority	Appropriation [1]	Liquidation	Appropriation [1]	Liquidation	
IA. Coastal area—Puget Sound								
1. Covington—Olympia	$3,638,000	$2,821,000	$518,000	$817,000	$518,000			
3. Olympia-Shelton-Port Angeles	4,235,000	4,191,000	5,000	44,000	5,000			
4. Olympia-Shelton No. 2	480,000	357,000	46,000	123,000	46,000			
5. Shelton-Kitsap-Bremerton No. 2	1,220,000	37,000	64,000	418,000		$524,000	$64,000	$241,000
6. Bellingham Substation	1,852,000					810,000		1,042,000
7. Other transmission facilities	14,112,000	13,697,000	13,000	231,000	13,000	169,000		15,000
8. San Juan Islands service	888,000	865,000	5,000	23,000	5,000			
9. South Elma	186,000	10,000	100,000	176,000	100,000			
10. Quinault service	160,000	41,000				36,000		83,000
11. Tacoma tap	871,000			552,000		261,000		58,000
13. Raymond-Aberdeen	951,000	32,000	128,000	715,000	128,000	56,000		148,000
15. City of Seattle service	785,000	446,000	132,000	339,000	132,000			
Subtotal	29,378,000	22,497,000	1,011,000	3,438,000	947,000	1,856,000	64,000	1,587,000
IB. Coastal Area—Portland, Longview Chehalis Area								
1. North Bonneville substation additions	467,000	245,000	4,000	65,000	4,000	123,000		34,000
2. Troutdale substation additions	167,000					145,000		22,000
3. Longview area service	763,000	59,000		374,000		252,000		78,000
4. Chehalis substation additions	883,000	636,000		173,000		74,000		
5. Clark County service	65,000					54,000		11,000
6. J. D. Ross substation additions	1,166,000	391,000	29,000	188,000	29,000	250,000		337,000
9. Forest Grove-McMinnville	679,000	392,000	92,000	218,000	67,000	39,000	25,000	30,000
13. Salem Boyer	343,000	10,000	127,000	312,000	123,000	21,000	4,000	
14. Westport-Cathlamet	445,000	59,000	52,000	364,000	37,000	22,000	15,000	
15. Astoria substation additions	222,000			160,000		62,000		
16. Tillamook service	1,739,000					518,000		1,221,000
18. Other transmission facilities	2,747,000	2,013,000	53,000	469,000	53,000	222,000		43,000
Subtotal	9,686,000	3,805,000	357,000	2,323,000	313,000	1,782,000	44,000	1,776,000
IC. Coastal area—Southwest Oregon								
2. Eugene-Reedsport	2,048,000	1,358,000	133,000	427,000	130,000	164,000	3,000	99,000
4. City of Springfield	316,000	114,000	62,000	202,000	62,000			
5. Detroit substation	139,000	30,000	45,000	61,000	45,000	47,000		1,000
6. Toledo substation additions	136,000	6,000	74,000	118,000	74,000	12,000		

6. Toledo substation additions	136,000	6,000	74,000	118,000	74,000	12,000		
7. Other transmission facilities	434,000	64,000	29,000	158,000	29,000	164,000		48,000
9. McKinley-Gold Beach	2,209,000	818,000	176,000	947,000	176,000	248,000		196,000
10. Lebanon-Springfield	878,000			42,000		253,000		583,000
11. Middle Fork Willamette River projects	2,347,000			53,000		494,000		1,800,000
12. North Santiam Valley	368,000			177,000		183,000		8,000
Subtotal	8,875,000	2,390,000	519,000	2,185,000	516,000	1,565,000	3,000	2,735,000
IIA. Central area—Spokane								
1. Spokane substation additions	3,649,000	1,197,000	1,566,000	1,828,000	1,119,000	607,000	447,000	17,000
2. Spokane-Colville-Spirit	151,000	75,000		2,000		52,000		22,000
3. Other transmission facilities	196,000	92,000	1,000	49,000	1,000	55,000		
4. Metaline Falls substation additions	64,000	35,000		29,000				
5. Four Lakes	235,000	17,000	93,000	153,000	56,000	65,000	37,000	
8. Valley Way substation additions	39,000		29,000	39,000	29,000			
Subtotal	4,334,000	1,416,000	1,689,000	2,100,000	1,205,000	779,000	484,000	39,000
IIB. Central area—Idaho Panhandle								
1. Idaho Panhandle	1,622,000	869,000	44,000	122,000	44,000	586,000		45,000
2. Other transmission facilities	28,000			11,000		17,000		
3. Albeni Falls Loop	303,000					142,000		161,000
Subtotal	1,953,000	869,000	44,000	133,000	44,000	745,000		206,000
IIC. Central area—Central Washington, central and eastern Oregon								
1. Columbia substation	1,565,000	1,022,000	147,000	341,000	147,000	180,000		22,000
2. Columbia-Ellensburg	755,000	519,000	1,000	45,000	1,000	133,000		58,000
3. Franklin substation additions	848,000	163,000	186,000	642,000	186,000	41,000		2,000
4. Okanogan and Ferry Counties	1,829,000			481,000		1,004,000		344,000
6. Richland-Kennewick	516,000	224,000	2,000	116,000		144,000	2,000	32,000
7. Service to aluminum plant at Wenatchee	3,969,000	2,197,000		1,597,000		175,000		
8. Midway substation additions	3,282,000	1,119,000	510,000	1,011,000	510,000	911,000		221,000
9. Walla Walla substation additions	396,000	333,000		63,000				
10. The Dalles-Goldendale	223,000	45,000	61,000	137,000	61,000	41,000		
12. Columbia Basin service	576,000	31,000				231,000		314,000
13. Benton-Franklin	440,000	93,000	80,000	347,000	80,000			
15. Warden substation	171,000			65,000		104,000		2,000
16. Orondo substation	107,000					66,000		41,000
18. Other transmission facilities	978,000	195,000	31,000	276,000	31,000	385,000		122,000
20. Moxee switching station	281,000	25,000	6,000	212,000	6,000	44,000		
21. The Dalles Dam service	130,000					130,000		
22. Quincy substation	172,000	40,000	5,000	36,000	3,000	58,000	2,000	38,000
23. Franklin County	769,000	30,000		291,000		286,000		162,000
25. Benton City substation	92,000	51,000	8,000	41,000	8,000			
27. Tygh Valley substation	45,000	3,000		42,000				

See footnotes at end of table, p. 102.

1952 construction program summary—Continued

Item number and facility	Estimated cost	Obligations to June 30, 1951		Program, fiscal year 1952		Program, fiscal year 1953		Balance to complete
		Appropriation	Unliquidated contract authority	Appropriation [1]	Liquidation	Appropriation [1]	Liquidation	
IIC. Central area—Central Washington, central and eastern Oregon—Con.								
28. Valhalla (Columbia)-Keokuk	$82,000	$27,000	$13,000	$41,000	$13,000	$14,000		
29. Rocky Ford-Soap Lake	384,000	139,000	50,000	140,000	50,000	55,000		$50,000
31. Moses Lake	93,000			48,000		45,000		
Subtotal	17,683,000	6,256,000	1,100,000	5,972,000	1,096,000	4,047,000	$4,000	1,408,000
III. Western Montana								
2. Other transmission facilities	155,000	73,000	2,000	37,000	2,000	29,000		16,000
3. Hungry Horse-Hot Springs	3,431,000	449,000	1,104,000	2,708,000	1,104,000	233,000		41,000
4. Hot Springs switching station	844,000	9,000		713,000		99,000		23,000
5. Hot Springs-Anaconda No. 1	7,455,000	1,224,000	2,952,000	5,478,000	2,952,000	753,000		
6. Hot Springs-Spokane No. 1	8,334,000	1,795,000	2,242,000	5,561,000	2,242,000	906,000		72,000
Subtotal	20,219,000	3,550,000	6,300,000	14,497,000	6,300,000	2,020,000		152,000
IV. General								
1. General structures	993,000	33,000		150,000		700,000		110,000
2. Communication facilities	2,552,000	309,000	164,000	889,000	163,000	700,000	1,000	654,000
3. Tools and equipment	3,295,000			1,065,000		2,230,000		
4. Preliminary engineering studies	211,000	1,000		110,000		100,000		
7. Portland operations facilities	1,103,000					1,000,000		103,000
Subtotal	8,154,000	343,000	164,000	2,214,000	163,000	4,730,000	1,000	867,000
Miscellaneous unliquidated contract authority	969,000		969,000	969,000	969,000			
Proposed supplemental allowance for fiscal year 1952 to cover pay increase for annual employees	590,000			590,000				
Grand total	253,394,000	66,900,000	30,916,000	76,263,000	[2]26,820,000	67,696,000	4,096,000	42,535,000

[1] Includes amounts for liquidation of prior year contract authority as shown in next column.
[2] Includes $5,820,000 carried over from previous fiscal year.

Mr. KIRWAN. Dr. Raver, is the estimated cost column in this table adjusted from year to year?

Dr. RAVER. Yes.

COMPARISON OF ESTIMATED TOTAL COST OF CONSTRUCTION PROJECTS

Mr. KIRWAN. Please give us another statement, then, showing the original cost estimates and the current estimates.

Dr. RAVER. I will have to insert that in the record for you. I do not have it here.

Mr. KIRWAN. All right.

(The statement is as follows:)

Comparison of estimated total cost of construction projects

Budget item and facility	Year of approval	Initial estimate of cost	Fiscal year 1953 budget submission	Explanation of cost increases [1]
I. General—Major 230-kilovolt grid		*Thousands of dollars*	*Thousands of dollars*	
1. Grand Coulee-Midway No. 3	1949	4,587	4,497	
3. Grand Coulee-Columbia No. 3	1948	2,678	3,363	A, C.
4. Grand Coulee-Columbia No. 4	1949	2,630	3,172	A, B.
5. Grand Coulee-Spokane No. 5	1951	3,972	3,907	
6. Grand Coulee-Columbia-Olympia	1951	13,237	14,306	A.
7. Covington substation additions		[2]	631	
8. Snohomish-Kitsap	1952	2,437	6,107	A, D.[3]
9. Grand Coulee-Snohomish No. 2	1948	1,862	3,985	A, D.
10. Chief Joseph-Snohomish Nos. 3 and 4	[4]	[4]	18,920	
11. McNary-Big Eddy-Troutdale	1951	13,833	13,172	
12. McNary-Big Eddy-Ross	1952	8,565	16,672	A, B, C, D.[4][5]
13. McNary-Detroit	1951	8,947	6,919	
14. Detroit-Albany	1951	3,245	2,633	
16. Detroit-Chemawa	1952	4,383	5,286	A, D.
17. Ross-St. Johns conversion	1951	4,128	3,676	
18. Midway-Big Eddy-Maupin-Detroit	1949	8,439	10,261	A, B, D.
19. Detroit-Albany	1949	5,816	5,908	A.
20. Southwest Oregon loop	1951	14,588	13,449	
21. Coos Bay area	1952	3,122	3,254	A.
22. McNary switching station	1951	1,023	1,904	A, D.
23. McNary-LaGrande	1949	1,721	3,728	A, D.
24. LaGrande-Baker	[4]	[4]	2,250	
25. System reactive	1952	3,083	3,553	A.
IA. Coastal area—Puget Sound				
1. Covington-Olympia	1949	4,077	3,638	
3. Olympia-Shelton-Port Angeles	1949	4,650	4,235	
4. Olympia-Shelton No. 2	1949	712	480	
5. Shelton-Kitsap-Bremerton No. 2	1951	1,641	1,220	
6. Bellingham substation	[4]	[4]	1,852	
7. Other transmission facilities		[2]	14,112	
8. San Juan Islands	1950	1,024	888	
9. South Elma	1948	212	186	
10. Quinalt service	1952	160	160	
11. Tacoma tap	1951	1,385	871	
13. Raymond Aberdeen	1950	1,013	951	
15. City of Seattle	1950	1,538	785	
IB. Coastal area—Portland, Longview, Chehalis area				
1. North Bonneville substation additions	1952	308	467	A, D
2. Troutdale substation additions	[4]	[4]	167	
3. Longview area service	1952	1,690	763	
4. Chehalis substation additions		[2]	883	
5. Clark County service	[4]	[4]	65	
6. Ross substation additions		[2]	1,166	
9. Forest Grove-McMinnville	1950	571	679	A, D.
13. Salem-Boyer	1951	462	343	
14. Westport-Cathlamet	1950	335	445	A, D.
15. Astoria substation additions	1952	209	222	A.
16. Tillamook service	1952	1,421	1,739	A, D.
18. Other transmission facilities		[2]	2,747	
IC. Coastal area—Southwest Oregon				
2. Eugene-Reedsport	1950	2,447	2,048	
4. City of Springfield	1950	480	316	
5. Detroit substation	1949	85	139	A, D.
6. Toledo substation	1949	194	136	
7. Other transmission facilities		[2]	434	
9. McKinley-Gold Beach	1949	2,072	2,209	A.
10. Lebanon-Springfield	1952	875	878	A.
11. Middle Fork Willamette River	1952	1,866	2,347	A.
12. North Santiam Valley	1952	363	368	A.

See footnotes at end of table, p. 104.

Comparison of estimated total cost of construction projects—Continued

Budget item and facility	Year of approval	Initial estimate of cost	Fiscal year 1953 budget submission	Explanation of cost increases [1]
		Thousands of dollars	*Thousands of dollars*	
IIA. Central area—Spokane				
1. Spokane substation additions		[2]	3,649	
2. Spokane-Colville-Spirit	[4]	[4]	151	
3. Other transmission facilities		[2]	196	
4. Metaline Falls substation additions	1951	119	64	
5. Four Lakes	1951	312	235	
8. Valley Way substation additions	1952	43	39	
IIB. Central area—Idaho Panhandle				
1. Idaho Panhandle	1950	1,846	1,622	
2. Other transmission facilities		[2]	28	
3. Albeni Falls loop	[4]	[4]	303	
IIC. Central area—Central Washington, central and eastern Oregon				
1. Columbia substation	1948	1,294	1,565	A, C, D.
2. Columbia-Ellensburg	1949	566	755	A, C, D.
3. Franklin substation additions	1950	806	848	A, C, D.
4. Okanogan and Ferry Counties	1951	1,044	1,829	A, D.
6. Richland-Kennewick	1949	416	516	A, D.
7. Aluminum plant at Wenatchee	1951	3,672	3,969	A.
8. Midway substation additions		[2]	3,262	
9. Walla Walla substation additions		[2]	396	
10. The Dalles-Goldendale	1950	496	223	
12. Columbia basin	1952	1,766	576	
13. Benton-Franklin	1950	545	440	
15. Warden substation	1952	150	171	A.
16. Orondo substation	[4]	[4]	107	
18. Other transmission facilities		[2]	978	
20. Moxee switching station	1952	381	281	
21. The Dalles Dam service	[4]	[4]	130	
22. Quincy substation	1951	99	172	A, D.
23. Franklin County	1952	463	769	A, D.
25. Benton City substation	1951	129	92	
27. Tygh Valley substation	1952	68	45	
28. Valhalla-Keokuk	1950	256	82	
29. Rocky Ford-Soap Lake	1951	307	384	A.
31. Moses Lake	1951	64	93	A, D.
III. Western Montana				
2. Other transmission facilities		[2]	155	
3. Hungry Horse-Hot Springs	1950	2,446	3,431	A, C, D.
4. Hot Springs switching station	1950	698	844	A, C, D.
5. Hot Springs-Anaconda No. 1	1950	8,981	7,455	
6. Hot Springs-Spokane No. 1	1950	8,459	8,334	
IV. General				
1. General structures	[4]	[4]	993	
2. Communications	[4]	[4]	2,552	
3. Tools and equipment	[4]	[4]	3,295	
4. Preliminary engineering	[4]	[4]	211	
7. Portland operations	[4]	[4]	1,103	

[1] Specific reasons for increased costs over base budget year include:
A. Rise in materials and labor costs due to inflationary trends.
B. Addition of series capacitors, increased conductor size, or addition of auto-transformers to increase transmission line capacity.
C. Addition of microwave and communication facilities to improve system stability, transmission capacity of system and system reliability.
D. Expansion of facilities required over and above original plan of service. This is due to changes in location, size, scheduling of loads and/or generation.

[2] This item which includes a multitude of general categories such as, delayed clean-up of large projects, tower relocations, structure and equipment replacements, telemetering installations, etc., does not lend itself to comparison. The total cost varies each year with the addition or completion of these smaller jobs.

[3] The Snohomish-Kitsap project was a complete change of plans to strenghthen service in the Puget Sound area and to meet the growing demands for power in Bremerton and on the Olympic Peninsula. The new project includes a 230-kilovolt line to be constructed between Snohomish and Bremerton (Kitsap) using a 230-kilovolt cable across Puget Sound in lieu of the longer Goldbar-Covington-Olympia-Shelton-Kitsap 230-kilovolt line.

[4] 1953 new start.

[5] The McNary-Big Eddy No. 3 line was added to provide increased capacity to serve additional loads in the Portland and Southwest Oregon area.

PRIORITY AS TO NATIONAL DEFENSE IMPORTANCE

Mr. KIRWAN. Can you give us a priority listing of the new lines proposed in this budget in terms of their importance to national defense?

Dr. RAVER. Yes, sir; I think I can do that.

I would say that the major 230,000-volt additions which I have spoken about here have first priority. They are all tied in with national defense in one way or another.

Now, with regard to the line from La Grande to Baker, I can state to you, and perhaps it should be off the record——

(Discussion off the record.)

OPPOSITION FROM PRIVATE UTILITIES

Mr. KIRWAN. Are any of the new items in your budget opposed by the private utilities?

Dr. RAVER. We have worked out our budget request in cooperation with our customers, including the private utilities. I think we are developing a closer cooperative arrangement in that respect every year, as we work together more closely.

So far as I know, there are no objections. We have specific statements that there are no objections in most of these situations.

There is one possible objection to the Newport substation. In other words, in discussing that with the Washington Water Power Co., the vice president, with whom we discussed it, at least indicated he doubted if they would object to it, but he would not say definitely, so they may object to it. I can tell you, if they do object to it, our load estimates indicate very clearly the need for that substation, and we have it justified in our budget request.

Of course, Idaho Power Co. may object to this Baker interconnection. They have never cooperated with us in the past to get it. We have had no cooperative arrangement with the Idaho Power Co. at all. It was not until the defense aspects of this thing became so critical that we were able to get from them the basic load and resource situation in this area upon which we could give you the factual information on how much power we can bring in from that area to help this situation.

NEEDS OF DEFENSE AREAS

Mr. KIRWAN. While you are on the subject, is there any of your explanation touching on needs of the defense areas which you can put on the record?

(Discussion off the record.)

Dr. RAVER. May I prepare a statement on that for the record?

Mr. KIRWAN. Yes.

Dr. RAVER. I would like to consult with the Atomic Energy Commission people. We have talked to them about it, and rather than throw something in the record, I think it would be better if I prepared something on this.

Mr. KIRWAN. Yes. Prepare something which will cover the whole thing. We understand it pretty well, sitting across the table, but the men and women on the floor of Congress must understand it when we take the bill to the floor.

(The information is as follows:)

DEFENSE ASPECTS OF BONNEVILLE POWER ADMINISTRATION'S CONSTRUCTION PROGRAM

The Administration's 1953 fiscal year construction program by the addition of a minimum of new transmission facilities is planned to meet defense-industrial and military loads, growing civilian needs, and to prevent disastrous power emergency situations. Every effort has been made to achieve full utilization of all power resources in the Pacific Northwest, to encourage maximum development of non-Federal generation, and to coordinate the Federal power grid with the systems of the interconnected utilities of the Pacific Northwest. There is no wasteful duplication of facilities. In the preparation of this program there were appropriate discussions and consultations with the FPC, DEPA, AEC, the Corps of Engineers and other defense agencies. The Administration's program measures up to the strictest standards for national defense and utilization of critical materials and all facilities will have full permanent value in peacetime.

Notwithstanding the continued critical power situation in the Pacific Northwest the area has witnessed a substantial growth in defense, military, and industrial loads. Such growth has included expansion of activities within Bremerton Navy Yard and of other military centers, a substantial increase in the production of aluminum, new electrochemical and electrometallurgical loads, expansion of lumber and related wood-processing activities, greater agricultural production, increased requirements of the Atomic Energy Commission, and increased civilian demands largely resulting from these developments as reflected by a 40-percent population growth in the past 10 years.

By far the major portion of the requested funds in the 1953 fiscal year construction program will be applied toward maintaining on schedule the construction of additions to the Federal transmission grid in order to dispose, throughout the area, of the power available from new Federal hydroelectric generation through the calendar year 1955. Inasmuch as all Federal power dams in the Pacific Northwest have received a high defense priority, it obviously follows that the related transmission grid should be similarly considered.

The major additions to the grid facilities are the new 230-kilovolt lines from Chief Joseph Dam to the Puget Sound area and a circuit from McNary Dam to the Portland area. As presently scheduled these facilities will provide adequate capacity to improve the Administration's ability to meet area loads and to insure full utilization of the output from these new generating plants as it becomes available. Except for the Pasco-mid-Columbia area, the load centers served by these facilities will experience the greatest load growth in the region.

In addition to the major grid facilities and the interconnections, the service extensions included in the administration's 1953 fiscal year construction program can be fully justified as defense facilities. These extension additions are required to serve the small defense industrial loads as well as to meet the increased civilian consumption which is essential to the fulfillment of the defense program in the Northwest.

Illustrative of the problem of supplying the power requirements of rapidly developing defense industries and the associated civilian needs is the situation created in the Yakima-Pasco-Walla Walla area as a result of the activities of the Hanford Works of the Atomic Energy Commission. Electric-power requirements in all load centers in this area and surrounding areas are increasing at a far greater rate than we anticipated by load estimates. Electric-energy demands in this area, including the Hanford Works, have increased some 628 percent over the 1940–50 period and are expected to increase another 44 percent by 1954, without allowing for additional major defense loads. On the other hand, power-supply capabilities will be severely reduced by reason of delays in the authorization for funds for the Ice Harbor Dam which would be located near Pasco, Wash., in the heart of the area. There are now indications that there must be a power-supply potential greatly in excess of that heretofore contemplated in the vicinity of Hanford, Wash., that would provide for possible expanded needs on comparatively short notice.

These factors combined, emphasize the need for increasing the capacity for serving the central and mid-Columbia areas. Further engineering studies as a result of recent discussions with representatives of Atomic Energy Commission have lead to the development of several proposals as effective engineering and economic means for increasing the regional power resources and assuring an ade-

quate power supply to the Hanford Works without impairing service generally to the Northwest.

1. La Grande-Baker transmission line (Idaho interconnection).
2. Earliest practicable completion of Ice Harbor Dam.
3. California interconnection.

The LaGrande-Baker interconnection, which is in the Administration's construction program, affords the quickest and most effective means of bringing to the Northwest an early supply of additional power. According to present schedules, this facility will be completed by December 1953. This tie line was approved by the committee last year but denied by the Congress pending further studies. Further studies now indicate that this interconnection could add approximately 60,000 kilowatts to the region's firm power resources. This 60,000 kilowatts will enter the system at the point of most rapid load growth, the Pasco-mid Columbia area adjacent to the Hanford Works, hence this tie line is completely justified.

Ice Harbor Dam, which is included in the budget submission of the Corps of Engineers, is almost an ideal power supply facility in connection with service to the Hanford Works of Atomic Energy Commission. No other hydroelectric plant in the Northwest power program could as effectively, except at greater cost, serve the peculiar needs of this vital defense industry. Located at the back door of the Hanford Works, it could serve with an insignificant amount of additional transmission as an independent supply to the processing load. Reliability of service to the plant could be assured even with a major disturbance on the Federal high voltage grid by reason of the fact that it could at all times be connected directly to the plant in such a way that both the Ice Harbor Dam and the plant could function on a segregated basis from the rest of the system in the event of an emergency. This aspect of service has been repeatedly emphasized by the Hanford representatives of the Atomic Energy Commission. Ice Harbor Dam would be able to supply approximately 203,000 kilowatts ultimately of firm power and 299,000 kilowatts during major emergencies, which would be sufficient to provide for the present and anticipated needs of the Hanford Works.

The California interconnection is in the Bureau of Reclamation's 1953 construction program with provision in the Administration's budget for a substation connection at Klamath Falls and installation of series capacitors. This interconnection could add approximately 160,000 kilowatts to the region's firm power resources.

CONSTRUCTION SCHEDULE DIFFICULTIES

Mr. KIRWAN. What difficulties have you encountered in keeping on schedule during the year?

Dr. RAVER. We have kept on schedule pretty well during this past year considering the material shortages and the difficulties of getting materials delivered on time. I will ask Sol Schultz, our chief engineer, to correct me if I am wrong; but I believe that our major delay was getting facilities completed from Detroit to the J. P. Alvey substation. We were rushing these facilities to tie in with the facilities all the way back to the Grand Coulee Dam, in order to provide power. Even though it is a long way from Grand Coulee Dam down to Eugene, Oreg., it was essential to complete this entire transmission facility all the way through from the J. P. Alvey substation; the Detroit Dam up to Maupin, to Big Eddy, on up to Midway and Grand Coulee this fall. That operated, to begin with, at 115,000 volts rather than the 230,000 volts as planned, because of delays in securing the 230,000-volt transformers. We still do not have those 230,000-volt transformers in service. Is that not right, Mr. Schultz?

Mr. SCHULTZ. That is right. By improvising service at 115,000 volts we were able to get over this season's peak demands, and now this spring we can convert the line to 230,000 volts, so we have met the service needs by a bit of improvising due to the delay of delivery of 230,000-volt equipment.

Dr. RAVER. I believe that was the most serious delay we have had to face this year.

Mr. SCHULTZ. That is right.

Dr. RAVER. The rest of the program has kept pretty well on schedule.

EFFORTS OF PRIVATE COMPANIES TO INCREASE POWER SUPPLY

Mr. KIRWAN. What are the power companies doing to increase the power supply in the Northwest?

Dr. RAVER. The private power companies at the present time are building two hydroelectric dams.

The Washington Water Power Co. is building a 200,000-kilowatt-capacity dam at Cabinet Gorge here on the border line between Idaho and Montana, on the Clark Fork River. That dam was started last year and will be completed some time next fall, for the first generation.

The Pacific Power & Light Co. is building a dam on the Lewis River. This [indicating] is the Lewis River, at this point on the chart. It comes into the Columbia around St. Helens, which is west and north of Portland. That dam on the Lewis River is called the Yale project. It was started last summer and will be completed this next fall. It will have a capacity of around 100,000 kilowatts.

Those are the only two private utility company projects which are actually under construction in the western group of the Northwest power pool. As I reported to this committee, I believe at our session a year ago, the Bonneville Power Administration recommended to the Defense Electric Power Administration not only these two projects which I have just mentioned, which are now under construction, but a number of other non-Federal projects in the region, both for private utility company construction and for public agency construction, and only one of those proposed public agency construction projects is under way, and that is the expansion of the Rock Island Dam, which is below Grand Coulee Dam in this area here [indicating]. The dam is owned by the Puget Sound Power & Light Co., but for expansion purposes has been leased to the Chelan County Public Utility District, and that public utility district has financed the expansion of generation from Rock Island Dam, of 150,000 kilowatts. That expansion is under way, and will be completed, I believe, in the next 2 or 3 years' time.

Those are the major new developments outside of the expansion that has been going on by the city of Seattle on the Skagit project.

The Pelton project of Portland General Electric Co. was one of the projects which we recommended for early construction last year. A permit has been granted to the Portland General Electric Co. by the Federal Power Commission to begin construction, but they are faced with court suits to determine the jurisdiction of the Federal Power Commission over that matter, inasmuch as there is considerable State opposition from the fishing interests to the construction of that dam.

A similar situation faced the city of Tacoma, which, as you know, has proposed the construction of an additional hydroelectric dam on the Cowlitz River for a number of years, and had the project before the Federal Power Commission for licensing rights. They have secured a license. Just how soon they will be able to start construction I do not know, but it is my understanding that there will be a court contest and a decision as to whether the State or the Federal Government has jurisdiction over that question, particularly in view of the fact that

in the State of Washington the State legislature had passed a bill prohibiting the construction of dams higher than 25 feet on the Cowlitz River.

That is the extent of the additional non-Federal power construction in the western group of the Northwest power pool.

BASIS FOR TRANSMISSION LINE CONSTRUCTION PROGRAM

Mr. KIRWAN. On page 17 of the justifications there are listed the generator plant capacities on which your 1953 program is based. Which of these are approved projects for which construction money has been appropriated?

Dr. RAVER. All those are approved projects, but Ice Harbor has not yet received any money to start construction.

Mr. MARLETT. It will be delayed a year.

Dr. RAVER. If it is approved this year there will be a year's delay in that schedule.

PRIORITY OF LINES

Mr. KIRWAN. In the event that money is not made available, which lines would you drop?

Dr. RAVER. It will not make any difference in the lines in this program. No request is being made for facilities to transmit power from Ice Harbor in this program.

Mr. KIRWAN. The only one we have not appropriated for is Ice Harbor?

Dr. RAVER. I believe Roza and Chandler, which are also shown on that table, have not been appropriated for.

Mr. KIRWAN. Those are the only ones?

Dr. RAVER. Those are very small dams, and would have no influence on this program.

TOTAL KILOWATT CAPACITY

Mr. NORRELL. Doctor, if you can give it without any research work, what is your total kilowatt capacity of public power in the Bonneville Power Administration, which you have charge of?

Dr. RAVER. Well, our two dams have a total peaking capacity at the present time, for a short-time peak, anyway, of 2,784,000 kilowatts.

INCREASE IN CAPACITY

Mr. NORRELL. What have you increased your capacity, if any, during the last 12 or 13 months? I am trying to get an understanding of the rate at which you are increasing your kilowatt capacity.

Dr. RAVER. There has been an increase of four generators in the Grand Coulee Dam in the last 15 months, I believe. Those four generators each have rated capacity of about 120,000 kilowatts, so there has been 480,000 kilowatts not of prime power but of peaking capacity added to the system in that period of time.

USE OF POWER

Mr. NORRELL. Do you have any figures on the portion of the power which is used by what we call public bodies, and the portion which is used by private enterprise, taken from your Administration?

Dr. RAVER. Yes, sir, we have that broken down in our annual report.

Mr. NORRELL. It is probably in these reports, but I did not see them until I came into the room this morning. I probably will have a chance later on to read all of them.

Dr. RAVER. May I give to the committee now a copy of our annual report. I will show you in that copy just what the table is. I will give you the figure for the record first.

Mr. NORRELL. All right.

Dr. RAVER. The sales to publicly owned utilities for the year ending last June 30, which is our fiscal year, accounted for 27½ percent of our total sales. The amount sold to the private utilities for the same period accounted for 23½ percent of our total sales.

Over the entire period of our operations we have sold $39 million worth of power—I will have to put it in terms of dollars, from this table—to the publicly owned utilities; and we have sold about $55 million worth of power to the private agencies, since the start of operations.

NEW INDUSTRIES

Mr. NORRELL. Now, Doctor, in that connection have you had any new industries locate out there, either Government or private enterprise, during the past several months or the last year?

Dr. RAVER. Yes, sir.

Mr. NORRELL. Will you include a statement in the record of those which are operated directly by the Government and those which are operated either directly or indirectly by private enterprise?

Dr. RAVER. I would be glad to do that.

(The information is as follows:)

The only new industrial plant to which service was provided by the Administration in calendar year 1951 was the Victor Chemical Co., a privately owned and operated enterprise at Silver Bow, Mont. Service to this plant was initiated in September 1951.

A contract was entered into in the past year to serve a reduction plant of the Aluminum Co. of America at Wenatchee, Wash., with service to start in July 1952. Initially, firm power supply will be made available in part for this operation by the Chelan County public utility district which has contracted with the Puget Sound Power & Light Co. to expand generation facilities at the company's Rock Island Dam plant. Also, commitment has been made to serve the Harvey Machine Co., an aluminum reduction plant, privately owned and operated, with service starting in December 1952. Both of these plants have been certified by the appropriate agencies as essential to national defense.

POWER REQUIREMENTS

Mr. NORRELL. What is the total kilowatt capacity required? I say that, because that is about the best way I can understand your figure of power capacity. How much additional power would you need to supply this additional load which you have had during the last several months, or whatever your period of time covers? These new industries are going to use certain quantities of power, of course.

Dr. RAVER. Well, during this past year the region was short about 600,000 kilowatts of firm power capacity.

Now, I might explain that this 600,000 kilowatts was the amount which the region was short of generating capacity to take care of the existing loads that we had this year, if the region had had a dry water year. In other words, we were gambling to the extent of 600,000 kilowatts this year on our water conditions.

Our water conditions turned out to be pretty good, even though they started at the beginning of the fall looking very bad. We had a long drought during the summer, and then by the middle of September or early in September the stream flows for the region were down to critical levels, and all steam capacity in the region was on and we had to start cutting off interruptable load. We shut down two aluminum pot lines there for a couple of weeks.

Fortunately, the rains came and took us out of that situation. If the rains had not come, we would have had to cut back 600,000 kilowatts of load in that area; 300,000 kilowatts of that would have been interruptable load, which we have contracts for cutting back, if necessary, with the customers; 300,000 kilowatts would have had to have been a firm power cut-back, which would have been very serious to the economy of the entire region.

Mr. NORRELL. Necessarily the load of the Bonneville Power Administration must, to a great extent, be governed by the rainfall?

Dr. RAVER. Yes. Our capacity in those two dams I indicated to you was 2,700,000 kilowatts for a short peaking period.

Mr. NORRELL. Yes.

Dr. RAVER. But for firm power it is about 1,450,000 kilowatts. That is the difference.

Mr. NORRELL. Have you ever felt that maybe you were required to take on too large a volume of need in that area for the capacity to supply that demand?

Dr. RAVER. Well, of course, somebody has to take care of the load growth of a region.

Mr. NORRELL. I agree with you there.

Dr. RAVER. Whether or not the Federal Government should be required to do it or somebody else is perhaps debatable, I think.

Mr. NORRELL. That is for the Congress to decide, is it not?

Dr. RAVER. That is right.

If we had carried forward our construction program as we laid it out to this Congress in 1945, 1946, 1947 and every year thereafter, and if it had been followed in 1946, we would not be in this position. The region then would not be in the position I have just described today. We would have had the dams. We would have had the capacity to take care not only of the loads which are there now, but the capacity to take care of a considerable expansion for national defense purposes, which we have had to turn down.

I am not saying who should be responsible for it. All I am saying is, Mr. Congressman, that we have presented the facts to Congress every year, and we have recommended the installation of dams which would have taken care of this load which has come upon us. I do not think it is a question of having loads imposed on you.

Mr. NORRELL. No; I do not believe that.

Dr. RAVER. Industries want to go where they want to go. People want to go where they want to go. The population movement out

there has imposed the load on somebody, and we have seen that load growing and coming, and we have planned for it, but we have not been able to carry out our plans so far, and others have not, either, for one reason or another.

Mr. NORRELL. Well, I think the Government has the best man in charge of the Bonneville Power Administration who is available. I have told you that several times. You have my complete confidence. I know you are a man of very great ability in the field of power.

PROPOSED STEAM PLANTS

Are you initiating the construction of any steam plants in your construction budget?

Dr. RAVER. We have no appropriation request in this budget for steam-plant construction. We have never constructed any steam electric generating plants.

There is a bill—Congressman Jackson's bill is before the Congress—which would authorize the Bonneville Power Administration to construct certain steam plants. That authorization bill includes no appropriation authorization with it, except that I believe it does indicate the amount of money which would be required if the Appropriations Committee permitted it.

Mr. NORRELL. But that is still in the legislative committee?

Dr. RAVER. That is correct, yes, sir.

This overlay chart indicates where those steam plants are proposed in connection with the transmission grid system. If you are interested in that aspect of it I can go into it.

Mr. NORRELL. Since this committee cannot have anything to do with that until it is passed by the Congress, I am not going to ask any questions about the program. I just merely wanted to find out whether you had any money in your budget this year for the initiation of new steam plants, and you say you have not.

Dr. RAVER. That is correct. No, sir; we do not have.

MOVEMENT OF INDUSTRIES

Mr. NORRELL. I believe I have supported practically every appropriation which the Bonneville Power Administration has had since I have been on this committee. However, I do not believe that there should be an effort made by others to locate industries in that area and then when you have a power shortage, or you are expecting you might have one, operating on the theory that we have to build more facilities because it is in the interest of national defense. I am not saying "you," of course, but just speaking generally.

I have reference to an item which affects my own congressional district, on bauxite. We have just had one rather big scrap in locating an aluminum plant in Arkansas to process the Arkansas bauxite, mixed with a little imported bauxite. Now, there was an effort made to get that plant in the Bonneville Power Administration area. The effort was not made by the Bonneville Power Administration, and you had nothing to do with it. However, when you take industries from my district—I mean, when industries are taken from my district and carried to a public-power area, because you have cheaper power, that is all right if you can do it on a fair and competitive basis. However, I do not believe that in later times when you may need a little

more power we should say, "We have to spend any amount of money that the Government has in order to build additional facilities out there." We can have the processing plant for our own natural resources in Arkansas, and then you do not have to supply that power.

I think that affects other areas of the country, such as Ohio and other sections.

I am very much interested in the Administration, but I do not want to continue to increase your power load and at the same time have continued the location of industries out there which ought to go to some other section of the country.

Mr. KIRWAN. Mr. Jackson?

SAN JUAN CABLE

Mr. JACKSON. Dr. Raver, first I would like to say that I want to commend you and your chief engineer and your staff for the fine job that they did in laying the San Juan cable. As I recall, you tried to let it out on bid, but it was almost impossible to get any offers from private contractors because of the technical difficulties involved in doing something entirely new; is that correct?

Dr. RAVER. That is correct. There was not any contracting group which had ever tackled a situation of this kind, and the risks involved of breaking that cable or damaging it were so great that it was very carefully engineered from the beginning to end, under very careful supervision. We, of course, had to rent a barge, a special cable-laying barge, for that job.

Mr. JACKSON. That was the Puget Sound Power & Light Co. barge?

Dr. RAVER. That was the barge of the Puget Sound Power & Light Co.

Outside of that, our own people really had to do that job.

UNITED STATES POWER PICTURE

Mr. JACKSON. I wonder if you are in a position to comment on the national power picture; that is, whether we have a national power shortage as a whole. Are you at all familiar with that situation?

Dr. RAVER. Yes. Mr. Marlett, the Assistant Administrator here, was Acting Administrator of the Defense Electric Power Administration for quite a period last year. Dr. Jones, on our staff, has been working with the Paley Commission on the whole question of not only power resources but other basic resources of the Nation.

The indications are that the Nation as a whole is right on the ragged edge of power supply, with possibilities of being deficient a couple of million kilowatts in capacity this year.

Mr. JACKSON. That is just based on the normal load-growth factors, and not allowing for any extraordinary requirements which might be imposed?

Dr. RAVER. Well, I do not really know about that, Congressman. Those are the general figures.

Mr. JACKSON. As I recall it, was there not an order put into effect in the southeastern section of the United States designating it as a potential or a critical power-shortage area?—that is, the southeastern area of the United States.

Dr. RAVER. The Southeast was declared a critical area. Some of the other areas have not been quite as critical, but they are short of power to do necessary defense-expansion work.

PRESENT POWER CONSUMPTION

Mr. JACKSON. I happen to know what the figures are for the proposed Atomic Energy expansion; that is, the figures with reference to power requirements. I do know that we simply do not have in being the power capacity right now to meet that expanded program. This is now a tremendous factor in the total annual use in the United States. As I recall it, we are using about 69 million kilowatts in the United States. Is that approximately right?

Dr. RAVER. I think that is approximately right.

Mr. MARLETT. That was last year, I believe. This year they are expecting a load of about 80 to 85 million kilowatts and a capacity of just about 85 million kilowatts, maybe a little less, without taking into account these special loads or minimum operating reserves.

Mr. JACKSON. Out total capacity is about 85 million?

Mr. MARLETT. It will be this year; yes.

Mr. JACKSON. That means that we will be running at capacity.

Mr. MARLETT. Yes, sir.

Mr. JACKSON. That includes all types of power generation—steam, hydro, stand-by, and everything else—that we are using?

Mr. MARLETT. Yes, sir.

NEED FOR MORE HYDROPOWER

Mr. JACKSON. Mr. Chairman, the only comment that I wanted to make is that I think we should develop all of our potential hydropower, the cheaper-cost power, and all hydropower in the country, and not just in the Northwest. We should develop it throughout the country, because it is the backbone of our whole system of military defense. Of course, it is axiomatic that it is the very lifeblood of our industry, and industry in turn is the lifeblood of the defense effort. I do not know of a better investment that we can make in the United States than expanding our power facilities in the United States, whether they are private or public facilities.

I think we ought to exploit all those possibilities to the maximum extent. You can pretty well measure the standard of living of a nation in terms of kilowatt-hours. You can also measure the military strength of a country in kilowatt-hours.

The one big advantage that we have over Russia is the fact that we have a far greater steel-making capacity than Russia has. As a matter of fact, at the end of this year I believe we will have a steel-making capacity equal to that of the rest of the entire world, or just a little more than the rest of the entire world.

In the field of power generation we are way ahead of Russia, and probably almost equal to the rest of the entire world in output. I am not sure about that. Maybe Mr. Marlett could give me that figure.

Mr. MARLETT. I do not have a figure in mind on that, Congressman, but I believe that is true.

Mr. JACKSON. One advantage that we have is that great industrial capacity which is tied in completely with our power-making capacity. If we did not have that, we would be licked now, because we are outnumbered in terms of manpower.

PRIVATE-POWER GENERATION

I think it might be well, Dr. Raver, to place in the record the complete list of private-power generation in your area. I think you have enumerated some of them, but I have a table which lists the non-Federal projects in the Northwest area. I notice there were a couple of other projects. There is the California-Oregon Power Co., Idaho Power, and Montana Power.

Dr. RAVER. That is correct. They should be included.

Mr. JACKSON. Include those on the list.

Dr. RAVER. Very well.

(The list requested is as follows:)

Additions to non-Federal utilities scheduled by 1955–56—Hydroprojects

[Thousands of kilowatts]

Project	Initial date in service	Installed capacity,[1] January 1956	January peaking capability	Added prime [2]
City of Seattle: Ross [3]	January 1953	270	227	70
City of Tacoma:				
Mossyrock	December 1953	300	193	92
Mayfield	October 1953	160	160	74
Chelan County PUD: Rock Island [3] (additions)	September 1952	150	165	148
Pend Oreille PUD: Box Canyon	June 1954	60	60	48
Washington Water Power Co.: Cabinet Gorge [3]	September 1952	200	200	95
Portland General Electric Co:				
Station B [3]	August 1952	14	14	
Pelton	January 1954	108	108	45
Pacific Power & Light Co.: Yale [3]	December 1952	100	100	72
California Oregon Power Co.:				
Clearwater No. 1 [3]	June 1953	15	15	6
Clearwater No. 2 [3]	do	26	26	9
Lemolo No. 1	September 1954	30	30	17
Lemolo No. 2	do	30	30	17
Idaho Power Co.:				
C. J. Strike [3]	January 1952	83	83	57
Dike	June 1954	60	60	33
Montana Power Co.: Kerr (addition)	October 1954	56	56	30
Total		1,662	1,527	813

[1] Name-plate rating.
[2] Prime power is average over regional storage draw-down season.
[3] Under construction.

ADDITIONAL POWER

Mr. JACKSON. As I understand it, there will be power coming in on a quite substantial basis each year, starting this summer and fall. Albeni Falls Dam is for storage, but it will provide downstream additions.

Dr. RAVER. That is true. We can begin to see the light on our situation on long-range power supply out there, but I am afraid we are going to face almost the same situation this coming fall as we faced last fall, because the loads are growing faster than the generating facilities are coming in. That is just the normal load growth. I do not know where it all comes from. All we know is that it is growing.

Mr. JACKSON. You have had a 40-percent increase in population in the State of Washington, and Oregon is about the same; is it not?

Dr. RAVER. Something of that nature; yes.

Mr. JACKSON. It is pretty close to 38 or 40 percent?

POSSIBILITY OF CURTAILING CONSUMPTION

Dr. RAVER. Yes. We are not tooled up yet, either publicly or privately or in the Government, in this Northwest area to really get ahead of the growth in power requirements, so that I suspect we may even have to have a curtailment program this fall, depending again upon what the water conditions are. In order to be assured of power supply, we either need steam plants or storage facilities or both. Of course, we can use both.

NEED FOR STEAM PLANTS

Mr. JACKSON. Steam plants are rather necessary regardless of the over-all development.

Dr. RAVER. We will always need a certain amount of steam in a hydrosystem such as is being developed out there for the benefit of everybody that has hydro.

Mr. JACKSON. The private utilities which have hydrosystems and the public agencies like Seattle City Light and the city of Tacoma have steam plants in the area; is that not right?

Dr. RAVER. That is right. It is a normal operation.

Mr. JACKSON. So that it is a sound, prudent business practice for anyone, public or private agency, engaged in the generation of hydropower?

Dr. RAVER. That does not mean you are going to use steam for prime power.

Mr. JACKSON. No.

Dr. RAVER. You are going to have a facility there just like a storage reservoir sitting back here [indicating] for water. You have a facility, and if your water conditions require it you can put it into operation to firm up your over-all supply.

Mr. JACKSON. It also saves a considerable amount of line loss if the plants are properly located.

Dr. RAVER. Yes. If they are properly located in a pool operation such as we have here, in which all of the facilities of the entire region are pooled, that is true. The location of the steam plants with respect to the major grid system of that pool is very important from the point of view of reducing the amount of transmission you have to build, and reducing the losses that you get on that system when you overload your lines for peaking purposes.

In other words, you can put your steam plant on for peaking purposes and maybe delay for many years the construction of another transmission line.

MARKETING OF POWER

Mr. JENSEN. The Bonneville Power Administration markets power from how many dams at the present time?

Dr. RAVER. Two dams: Grand Coulee and Bonneville.

TOTAL APPROPRIATIONS TO DATE

Mr. JENSEN. Up to July 1, 1951, Congress had appropriated how much money for Grand Coulee and Bonneville and all the transmission lines and related facilities in the Bonneville area?

Dr. RAVER. $457,800,000 is the total amount of money appropriated for plant investment in those two dams, and our transmission system, which has been charged to power, as of June 30, 1951.

Mr. JENSEN. Do you have the figures on the amount which has been charged to irrigation and reclamation, and flood control?

Dr. RAVER. Yes, sir. I will have to ask Mr. Ostrander to pick out those figures from our financial data.

Mr. JENSEN. Will you furnish those figures for the record, please.

Mr. OSTRANDER. Yes, sir.

(The information is as follows:)

Columbia River power system—Construction costs as of June 30, 1951

Project	Total	Present commercial power	Future downstream river regulation [1]	Irrigation	Navigation and flood control
Bonneville Power Administration	$194,332,310	$194,332,310			
Bonneville Dam project:					
Joint facilities (dam, reservoir, fishways, buildings, and grounds)	41,781,610	20,890,805			$20,890,805
Specific power facilities	38,391,122	38,391,122			
Specific navigation facilities	6,346,351				6,346,351
Subtotal for Bonneville Dam	86,519,083	59,281,927			27,237,156
Columbia Basin project (Grand Coulee Dam and Columbia Basin irrigation program):					
Joint facilities (dam, reservoir, etc.)	152,348,890	48,575,089	$36,419,476	$66,354,325	1,000,000
Power plant	108,338,527	102,172,438		[2] 6,166,089	
Irrigation facilities	137,316,810			137,316,810	
Subtotal for Columbia Basin project	398,004,227	150,747,527	36,419,476	209,837,224	1,000,000
Total, 3 projects	678,855,620	404,361,764	36,419,476	209,837,224	28,237,156

[1] This will be reallocated to commercial power as McNary, Chief Joseph, and other downstream plants commence operations.

[2] Irrigation pumping power.

NOTE.—Data for Bonneville Power Administration and Bonneville Dam project include interest during construction, which is an imputed cost for which no appropriations are required by the construction agencies. If interest during construction were included, the accounts for Columbia Basin project, the grand totals of $404,361,764 allocated to commercial power plus the $36,419,476 allocated to river regulation, would represent an aggregate of about $457,800,000, the total allocated to power as of June 30, 1951, as stated in the testimony.

FUTURE APPROPRIATIONS

Mr. JENSEN. Do you have an estimate of the amount of money it will take to complete your system—your transmission system and your dams which have already been authorized and you expect to build?

Dr. RAVER. Yes. We have a number of estimates on that, Congressman Jensen, depending upon how far into the future you carry your estimate.

Mr. JENSEN. Up to 1956, let us say. That is the last date you mention in your statement here.

Dr. RAVER. I will have to get that figure for you for the record.

Mr. JENSEN. All right; please do that.

(The information is as follows:)

The following data relate to the appropriations for construction of the Bonneville Power Administration's transmission facilities.

Data beyond fiscal year 1952 are preliminary estimates for a system of integrated transmission facilities to be completed or to be under construction by fiscal year 1956 to market power from total Federal generation in the region and include initital construction funds for new facilities which must be started in this construction period to market power from generating projects coming into service after December 1955, such as The Dalles, Lower Snake River projects, and Hells Canyon on the basis of defense schedule U. The data for the period through fiscal year 1951 include WPA and PWA allotments made available for the transmission facilities. The data are:

Appropriations, WPA and PWA allotments through fiscal year 1951	$210, 234, 539
Appropriations for fiscal year 1952	67, 500, 000
Requirements after fiscal year 1952 and through December 1955	243, 121, 000
Amounts required after December 1955 to complete facilities started prior to that date	93, 175, 000

APPROPRIATIONS FOR ARMY ENGINEERS

Mr. JENSEN. In addition to that, do you have an estimate of the amount of money which the Congress has appropriated to the Army engineers for construction of dams in the Bonneville area, the power from which the Bonneville Power Administration will market?

Dr. RAVER. Yes, sir. You want it up to date, and the estimated amount of such appropriations?

Mr. JENSEN. I want it up to June 30, 1951.

Dr. RAVER. Yes, sir; I can get that.

(The information is as follows:)

The following amounts have been appropriated through fiscal year 1951 for construction of Corps of Engineers dams for which the Bonneville Power Administration is the power-marketing agent. These estimates are appropriations only and, therefore, are exclusive of imputed costs for interest during construction.

Bonneville Dam	$83, 333, 584
Detroit and Big Cliff Dams	36, 434, 200
McNary Dam	112, 185, 000
Lookout Point and Dexter Dams	34, 009, 700
Albeni Falls Dam	2, 900, 000
Chief Joseph Dam	26, 700, 760
Total	295, 563, 244

COST OF ARMY ENGINEER DAMS

Mr. JENSEN. I would also like to have the estimated cost of the dams of the Army engineers, which they are now building.

Dr. RAVER. Yes, sir; I can get that. I will place that in the record.

(The information is as follows:)

The estimated total appropriation requirements including amounts heretofore made available, for Corps of Engineer dams now under construction for which the Bonneville Power Administration will be the power marketing agent are as follows. The ultimate construction costs will include, in addition to these appropriations, an imputed cost for interest during construction, but that item of cost requires no appropriation to the Corps of Engineers. The total costs of these projects will be allocated among purposes such as power, flood control, navigation, and irrigation.

Detroit and Big Cliff Dams	$67, 462, 000
Lookout Point and Dexter Dams	96, 611, 000
McNary Dam	281, 650, 000
Albeni Falls Dam	31, 070, 000
Chief Joseph Dam	206, 000, 000

In addition, the Corps of Engineers is initiating construction in fiscal year 1952 on The Dalles project, with total estimated cost of $348,372,000.

Also Hungry Horse Dam is under construction by the Bureau of Reclamation with a total estimated cost of $109,230,190.

REVENUES

Mr. JENSEN. Will you give the committee the revenues which you have collected up to June 30, 1951?

Dr. RAVER. Yes, sir. The total cash receipts?

Mr. JENSEN. That is right.

Dr. RAVER. The cash receipts which we have collected to June 30, 1951, are $216,100,000.

Mr. JENSEN. That has all been covered into the Treasury of the United States?

Dr. RAVER. Yes, sir.

INCREASED COST OF CONSTRUCTION

Mr. JENSEN. What do you estimate has been your advance in the cost of construction in the past 5 years?

Dr. RAVER. Well, in general, I suppose it has almost doubled, although we have been able to hold down our unit costs of construction materially by new developments in design and in engineering, which are accepted by manufacturers, and which have saved us millions of dollars on construction.

I might mention a few things. As a matter of fact, Congressman, I think this is one of the most important contributions Bonneville has made in the industry, in saving construction costs in equipment, design of steel towers, and so on. We have been saving a couple of million dollars a year in the cost of steel-tower construction, and the design of switches, for example, on protective equipment around the substations. These big switches are tremendously expensive, to protect your transformers in substations.

I can remember that in 1940 we were paying over $71,000 apiece for those switches. Today we are paying around $50,000 apiece, despite the doubling of construction costs. That has been due to a change in design. We are not only getting a switch at less than it cost us in 1940, but we are getting a better switch, which has been worked out with the manufacturers, very largely with the specialists we have on our staff and our engineering department.

Mr. JENSEN. But that is only one item.

Dr. RAVER. But those items add up to millions of dollars a year. Therefore, our construction costs have not gone up on transmission and transmission equipment in accordance with the construction index of the general industry, which has more than doubled in that period you are talking about.

Mr. JENSEN. But your construction costs have gone up?

Dr. RAVER. They have gone up.

Mr. JENSEN. They are at least double, are they not? Construction costs over the Nation they estimate have gone up 125 percent.

Dr. RAVER. It is about 180, or 80 percent over 1940, for us.

Another reason that we have been able to hold down on our costs is due to certain management techniques which we have put into operation, and also the performance of labor. Our labor costs—wage rates—obviously have more than doubled in that period of time. The labor rates have more than doubled, but the picture on performance is the important thing, and that is what your cost per unit is based on, and that has been going down on labor, so far as operation and maintenance is concerned, on our system, throughout this period.

To some extent I suppose that is also true on construction cost, although we have less control over labor on construction, because most of it is done by contract. But in the contract field we have had meetings every year with all the contractors in the region. Only a couple of months ago we had a meeting of all of our contractors in Portland. I suppose there were at least 100 or more contractors represented there from all over the region. We went over the whole program with them, which was proposed and which is presented to you here for this year, as well as the one which is under construction now for this coming summer. We got their suggestions. They have saved us money, too, by pointing out how our specifications can be changed so that they do not have to bid quite so much money, and they do not have quite as much risk to take as they used to have to take.

We have to write the specifications for the construction of these lines, and we do it to protect the Government and to get the kind of equipment which our engineers say we have to have. However, if you put terms and conditions in the specifications, as we have found we have done, which the contractor has to meet, the only way he can meet them is to put in a higher price. He does not know what he will be up against on them. If we can eliminate some of those things and make it easier for him to bid, we will get lower prices. We are saving money on that.

This matter of meeting rising costs is one of the problems which Bonneville has, because we are charged with the financial success of this whole operation, and we are trying to do it. I think our income statement indicates that we are doing it. When your net income goes up every year, Congressman Jensen, as ours has, in the face of rising prices and rising costs, without increasing our rates that we charge for this power, there must be some reason for it. I am giving you some of the reasons. They go to the efficiency of management. They go to the efficiency of labor, of relationships with organized labor. They go to the efficiency of engineering, and the new engineering developments which have been at the backbone of this whole development.

As I said at the beginning, we have made some contributions to the saving in costs of the entire industry. I think it is one of the most important things we have done. I would like to put a statement in the record as to what those things are. I think it should be made public.

Mr. KIRWAN. You may insert that in the record.

(The information is as follows:)

Engineering Accomplishments

In keeping with perhaps the major purpose of the Bonneville Act to achieve widespread distribution of power at the lowest possible cost, the Bonneville Power Administration has constantly endeavored to promote economies in the construction, operation and maintenance of its high voltage grid. Particular emphasis has been placed on the development of new engineering methods, with the result that the cost of transmitting electric energy today is probably no higher, and perhaps less, than it was in 1941 despite an increase in construction costs of approximately 100 percent. Since transmission costs represent a large portion of the Bonneville Power Administration's total power costs, these engineering developments have contributed heavily to the Administration's ability to render service without increasing rates in spite of the great rise in cost levels. Without benefit of these developments, the Administration's annual requests for appropriations to carry out its construction, maintenance and operation responsibility would be substantially higher than they are. Developments under investigation show major promise that the trend in these savings and benefits will continue.

These engineering accomplishments have not only resulted in major savings to the Bonneville Power Administration and to the Government but also in benefits to the power industry. There are set forth hereunder some of the more significant developments in which Bonneville engineers have assumed leadership, together with an evaluation of these developments expressed in annual savings of investment costs as realized by the Bonneville Power Administration. These are listed in three categories as follows:

I. Engineering developments adopted and in practice.
II. Engineering developments adopted and being put in practice.
III. Engineering developments under study.

	Estimated annual savings compared to 1941 practices
I. Engineering developments adopted and in practice:	
1. Light steel towers	$1, 680, 000
After thorough study, the Bonneville engineers adopted the light steel tower as a basic design for its 230-kilovolt and higher voltage transmission lines. It is believed that this light design, which shows a saving of 40–50 tons of steel and $6,000 to $7,000 per mile of line, is the only one of its kind for this voltage and for areas comparable in climate and terrain to that served by the Bonneville Power Administration.	
2. Large transformer banks	3, 000, 000
Concurrent with some basic improvements in transformer designs by manufacturers, the Bonneville Power Administration adopted 250,000-kilovolt-ampere (forced-cooled rating) transformers as standard equipment. It is believed these are the largest transformer banks in the country today. This size compares to 100,000-kilovolt-ampere transformers in 1941 which then were considered the largest permissible at the voltage. Additional savings attributable to the use of larger transformers included lower insulation levels, autotransformer windings, omission of untanking towers, use of rail-mounted spare units to serve a number of substations and reduction in the required number of oil circuit breakers.	
3. Reduced insulation levels (over and above the savings in item 2 above)	250, 000
Early investigation by Booneville engineers supported by laboratory tests confirmed the view that the standard practices of the industry required an excessive amount of insulation for equipment operating at 230 kilovolts or higher. This led to successful efforts to revise these standards in a manner to achieve substantial economies. This permitted a still further reduction of insulation below that considered in item 2 above and smaller bushings for circuit breakers.	

	Estimated annual savings compared to 1941 practices
I. Engineering developments adopted and in practice—Con.	
4. Improvements in circuit-breaker characteristics (on a conservative basis)	$260,000
In 1941 the largest 230-kilovolt circuit breakers obtainable were rated 2,500,000 kilovolt-amperes, 3-cycle. They were not suitable for high-speed reclosing operations. Their cost then was approximately $70,000 each. It is believed that Bonneville's system was the first 230-kilovolt system ever to be used for short-circuit tests in an endeavor to improve designs and encourage competition among manufacturers. Credit is given the Bureau of Reclamation for their efforts in this connection at Grand Coulee Dam. As result of these tests it was possible by 1950 to obtain 230-kilovolt circuit breakers with a rating of 7,500,000 kilovolt-amperes, 3-cycle, and 20-cycle kilovolt-ampere reclosing characteristics, at a cost of $50,000.	
5. Selective use of overhead ground wires	500,00
By making use of the improved type breakers described in item 4, it is possible to permit lightning flashes to strike transmission line conductors which will result in the circuit interruption, but a rapid reclosing of the breakers at each end of a circuit restores the circuit to service sufficiently rapidly to retain system stability even with relatively heavy loadings. This form of operation has the advantages of permitting transmission lines to be constructed without the use of overhead ground wires, or at least to select relatively large areas where no ground wires are necessary with a consequent saving in transmission line cost.	
6. Shunt capacitors (on a conservative basis)	800,000
The Bonneville Power Administration was one of the first utility agencies to adopt the use of shunt capacitors for transmission line voltage regulation. It is believed BPA is the first agency to use large blocks of these capacitors connected directly to 115,000 volt circuits. Static capacitors require one-half the investment and one-third the total annual cost of equivalent synchronous condensers.	
7. Other items in which Bonneville has taken leadership in the industry and which have resulted in major savings include the following:	
A. Simplification of lightning protection facilities in smaller substations	120,000
B. Selective application of vibration dampers based on investigation of actual field conditions	150,000
C. Utilization of potential transformers in switching station and substation to supply station service requirements	12,000
D. Adoption of line type lightning arresters for use in substations replacing more expensive station type arresters	50,000

	Estimated annual savings compared to 1941 practices
I. Engineering developments adopted and in practice—Con.	
8. In addition to the foregoing, the Bonneville engineers have adopted many proven cost-saving innovations by manufacturers and other utilities with substantial benefits to the Administration	$800,000
A. Minimizing lightning flashovers on steel towers by lowering footing resistance through radial groundmat instead of continuous counterpoise.	
B. Adoption of 3-phase transformers in sixes up to 20,000 kilovolt-amperes in place of three single-phase units.	
C. Mass production of substation switchboards and field installation thereof.	
D. Use of steel grillage foundations for 230-kilovolt angle and dead end towers in place of reinforced concrete.	
E. Utilization of most economical standard tower foundation design by visual inspection at time of excavation.	
F. Redesign of substation steel racks for 69-kilovolt and lower voltages.	
G. Modification of right-of-way clearing standards to limit full-scale removal to portion immediately under line—brush cover left on remainder to minimize fire and weed control problems.	
H. Utilization of transite pipe for oil and water system instead of steel and cast iron.	
I. Utilization of steel plate anchors for wood pole lines instead of channel anchors.	
J. Development of new hardware design for use in 115-kilovolt and 230-kilovolt wood pole construction.	
K. Reduction in number of insulators required for 230- and 115-kilovolt steel lines as result of system and laboratory tests and improvements in system operation.	
L. Development of heat exchanger for use in drying out transformer windings preparatory to energization.	
II. Engineering developments adopted and being put into practice:	
1. Series capacitors	500,000

It is believed that the Bonneville Power Administration was the first agency to promote the use of series capacitors in high voltage long distance transmission lines and the first in America to place such an installation in service. The successful operation of this device at BPA's Chehalis substation justifies the further use of series capacitors on other major transmission lines, thereby increasing the capacity of these circuits and improving their operating characteristics. Two such additional installations will be placed in service on the system shortly, one at Rocky Ford, Wash., which will increase the capacity of the Coulee-Midway line No. 3 by 33 percent, and the second at St. Andrews, Wash., in the Coulee-Columbia No. 3 circuit, also increasing the capacity of this circuit by 33 percent. Additional similar installations are contemplated for still other circuits.

II. Engineering developments adopted and being put into practice—Continued

Estimated annual savings compared to 1941 practices

2. Autotransformers in high voltage transmission lines... $3,000,000

BPA engineers have given active consideration to the po. sibilities of extra high voltages for transmission, but the inherent economies of 230 kilovolts, attributable largely to relatively low cost transformers, circuit breakers and other terminal facilities, have been strong influences against such a move. Engineering studies, however, have indicated that the economies of extra high voltage for some of the higher capacity circuits can be achieved, while still retaining substantially all of the advantages of 230-kilovolt operation by inserting appropriate autotransformers in the circuits. On this basis of operation, the switching facilities at the generating station would continue to be rated at 230,000 volts. The autotransformers in the line would increase this voltage to 287,000 volts or higher. At the receiving end of the line a similar autotransformer would step this voltage down to 230,000 volts, at which voltage power would be delivered into the system at the load centers. The use of autotransformers shows great promise of incurring major economies in the cost of power transmission on the Bonneville system. Bids are now being received for a pair of 400,000 kilovolt-amperes of autotransformer banks for the Coulee-Olympia transmission line. They are scheduled for installation December 1954. They will probably represent the first installation of their kind. It is the belief of Bonneville engineers that the use of autotransformers in combination with series capacitors, both BPA developments, in high voltage transmission lines, will provide the basic solution to some of the Administration's major transmission problems.

3. Microwave: A highly conservative estimate..... 1,000,000

The Bonneville Power Administration is one of the first utilities to study the possibilities of microwave as a tool for the control and operation of high voltage power systems. It is believed that BPA is the first utility to adopt microwave as a system-wide facility. The first unit in the microwave program was placed in service in 1952 between Seattle, Wash. (Snohomish substation) and Portland, Oreg. (J. D. Ross substation). Experience to date with this new facility shows promise that it will revolutionize the techniques in communications, telemetering, supervisory control, relaying and maintenance of high voltage power systems and other types of utility plant. It appears safe to say that the operation and maintenance of the high voltage Federal grid in the Pacific Northwest without microwave would be cumbersome and inefficient when compared to the operation of the system with it. With microwave, communications over the entire grid will be greatly facilitated; supervisory control, whereby the operators in one station can control facilities in a number of remotely located stations, will be vastly improved; relay protection for high voltage lines will provide major benefits and the operation of the system will be much more efficient. It is believed that the relay benefits alone will justify the entire microwave program. Because of the enormous possibilities of microwave, any evaluation of its benefits at this time would be largely speculative.

II. Engineering developments adopted and being put into practice—Continued

Estimated annual savings compared to 1941 practices

4. Coordination of McNary generators with BPA transmission system (estimated)---------- $250,000

A joint study undertaken by the U. S. Army Corps of Engineers and the Bonneville Power Administration resulted in a revision by the Corps of Engineers of the specifications for the generators and transformers at McNary powerhouse to include special characteristics best suited to the over-all operation of the Federal power system. These special characteristics permitted the elimination of one 230-kilovolt transmission line between McNary and the Portland area at a saving to the Federal Government of approximately $7 million. This study was the forerunner of similar studies applicable to other Federal power plants in the Pacific Northwest. While the benefits of this endeavor will be substantial, no claim is made herein for the annual savings other than for McNary Dam.

5. Technical developments difficult to evaluate:

Many technical developments resulting in substantially improved operating, maintenance and construction methods are difficult to evaluate in terms of dollars saving. The more important of these include:

A. Low reactance synchronous condensers: The development and use of low reactance synchronous condensers having high speed response characteristics and twice normal short-time overload capacity will be very valuable for stabilizing voltages on long transmission lines and will improve system stability characteristics. Four of these machines have been purchased at substantially the same cost as machines of standard design. One of the machines has been delivered and is being installed on the system at the present time. These are believed to be the only machines with these characteristics.

B. River crossing airway lighting: Replacement of incadescent lamps by neon equipment at river crossing and other high transmission structures requiring airway lighting facilities.

C. Aluminum alloy suspension clamps: Development, design and application of aluminum alloy suspension clamps to replace steel clamps previously standard in the industry.

D. Preformed armor rods: Development and application of preformed armor rods for repair of line conductors damaged by conductor vibration, with resultant savings in maintenance costs and conductor replacements.

E. Use of helicopter: The use of helicopter for regular and emergency patrolling of transmission lines has been highly effective in reducing maintenance costs and decreasing the duration of outages. BPA is planning to extend its helicopter service to achieve maximum savings.

No attempt was made to evaluate the benefits from the foregoing group of development items.

Estimated annual savings compared to 1941 practices

III. Engineering developments under study: Among the more promising developments in this category are the following:

1. 230 kilovolts submarine cable across Puget Sound----- $250,000

Extensive studies and engineering work by the Bonneville engineers have indicated the practicability of laying 230-kilovolt submarine cable across Puget Sound from Richmond Beach just north of the city of Seattle to President Point on the westerly shore of Puget Sound. The length of cable will be approximately 4½ miles. The magnitude of this operation may be appreciated when it is considered that there is no 230-kilovolt cable service in the country today and the longest length of high-voltage submarine cable is less than 6,500 feet. This cable will assure the shortest route between Chief Joseph Dam and the Bremerton area and should provide reliable service to the highly important Bremerton Navy Yard. A transmission line over the shortest alternative route is approximately 90 miles longer than the one made possible by the submarine cable and the cost approximately $2½ million more.

2. Reduction of incremental system loadings:

A study has been undertaken to develop, by basic mathematical formulas, graphical methods, network analyzer and other computing devices, basic standards and guides for achieving the most economical operating arrangements of the Federal power grid and related interconnected systems. This endeavor has as its objective the optimum coordination of the power resources and the transmission system to obtain the desired economies. Considering the large amounts of power involved and the high transmission losses encountered, the possible benefits of this study are highly alluring.

No estimate is provided for this item.

3. Revision of State and national safety codes:

It is the consensus of the BPA engineering staff that many provisions in the State and national safety codes applicable to high-voltage transmission are archaic and in need of revision. It is believed that a number of objectionable requirements of this code can be changed, particularly with regard to clearances and spacing of conductors, in a manner to achieve substantial savings without significantly increasing hazards to safety. In this connection BPA engineers have worked with the appropriate authorities in the State of Washington with the result that the code has been modernized to achieve these objectives. Contracts have been made or will be made with similar bodies in other States in the Northwest with this same useful purpose in mind.

No estimate can be made for this item.

III. Engineering developments under study—Continued

4. Low cost high voltage substations:

In the interests of economy, the Administration has been making continuous studies for the purpose of building relatively low-capacity, low-cost 230-kilovolt substations. The results in this respect have been gratifying to the extent that the Administration has included a number of this type of substation in its program. The first to be installed will be in eastern Oregon in the fall of 1952. These substations will have a capacity of 20,000 kilovolt-amperes each. A major benefit from this type of substation is that it will eliminate the necessity of building low-voltage transmission lines wherever connections can be made to the 230-kilovolt system.

While the savings will be substantial, no attempt is made to evaluate them because of the uncertainties of the construction program.

5. High voltage load interrupters:

BPA has actively worked with interested switchgear manufacturers to produce low-cost high-voltage switching devices that could under limited conditions eliminate the necessity of expensive circuit breakers. The results of this effort have been successful with the result that 115,000 volt circuit interrupters are now available for light-duty switching operations. There is good promise that a similar device will soon be available for 230-kilovolt switching.

Because of the uncertainties pertaining to this device, no attempt is here made to evaluate the savings resulting from its use.

RATES AND INCOME

Mr. JENSEN. Your rates are the same as they used to be?

Dr. RAVER. When we started.

Mr. JENSEN. When you started. Yet you said you had to have those rates in order to pay out; and since that time construction costs have risen at least 100 percent.

Dr. RAVER. That is right; and labor costs have more than doubled. We have the biggest net income this year, ending June 30, that we have ever had in our history. We had a total of $36 million gross revenues, with $14.5 million of it left over after all operating expenses, depreciation, and interest on the investment. That is 40 percent of gross which went to net this year.

Mr. JENSEN. Of course, we all recognize that there is just one Columbia River.

Dr. RAVER. That is true.

Mr. JENSEN. There is no other river in the world, I suppose, which will produce as much power as cheaply as the Columbia.

POSSIBLE RATE INCREASE

Dr. RAVER. I still think we are going to have to raise our rates in 1954, because of these new dams which are coming in. They are more than double the cost per kilowatt of Bonneville and Grand Coulee. In other words, we had a large portion of low-cost construction already made before these prices started rising. I am not discounting

that. When the new dams come in we are going to have to start paying for them on a higher base. We have put in hundreds of millions of dollars during this period of rising prices, which is being charged and carried, even so, under this basic $17.50 rate.

I think these improvements, particularly in engineering, which we have made, and the operation of a tremendous grid system of this kind, and the surplus we have accumulated in the past 12 years of operation, which amounts to $70 million now, is going to minimize the rate increase we are going to have to make on these new dams in 1954. We might even ride through without making a rate increase, but I think our customers are entitled to know we probably will have to make one.

Those are elements in this development on the cost side which are extremely important to the future of this whole program and extremely important to the Government on the pay out, because there is a question as to whether we are coming out on this thing.

CONTINUED POWER SHORTAGE

Mr. JENSEN. Of course, the thing which worries me, as it worries a lot of other people who know about this situation which you have in the Bonneville area, is the fact that after we have spent all of this money to build all of these facilities you still have a power shortage. Last fall you had to take power away from some metal plants, and with all the money that we have appropriated for all those facilities, yet you are one of the greatest power shortage areas in America. For one good reason or another the Congress will not appropriate enough money for your facilities for transmission of power up there, and private industry is not in a position to do it because of the low rates you are charging. Every place where private industry, Federal power, and municipal power work together and cooperate fully, where everybody is permitted to have rates sufficient to do business, we have quite a plentiful supply of power; so I do not know what the answer is. I do not know what the answer is in the Bonneville area. Maybe when all of these Army dams come in, which will possibly cost another half billion dollars, we will have enough power. I hope so, anyway.

That is all, Mr. Chairman.

OPERATION AND MAINTENANCE

Amounts available for obligation

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate	$5,000,000	$5,368,439	$6,600,000
Proposed supplemental due to pay increases		160,000	
Total available for obligation	5,000,000	5,528,439	6,600,000
Unobligated balance, estimated savings	−5,794		
Obligations incurred	4,994,206	5,528,439	6,600,000

Obligations by activities

Description	1951 actual	1952 estimate	1953 estimate
1. Maintenance of transmission system	$2,017,203	$2,184,991	$2,820,193
2. Operation of the transmission system	1,426,934	1,753,400	2,040,386
3. Power marketing	501,359	635,696	696,022
4. General administration	1,048,710	954,352	1,043,399
Obligations incurred	4,994,206	5,528,439	6,600,000

Obligations by objects

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions	936	861	1,037
Full-time equivalent of all other positions	76	35	34
Average number of all employees	841	841	1,001
Average salaries and grades:			
General schedule grades:			
Average salary	$3,872	$4,549	$4,658
Average grade	GS–6.1	GS–6.9	GS–7.2
Crafts, protective, and custodial grades:			
Average salary	$2,900	$3,084	$3,051
Average grade	CPC–4.7	CPC–4.4	CPC–4.3
Ungraded positions: Average salary	$4,524	$4,504	$4,512
01 Personal services:			
Permanent positions	$3,119,895	$3,813,655	$4,692,848
Part-time and temporary positions	302,431	124,228	118,271
Regular pay in excess of 52-week base		7,700	10,500
Payment above basic rates	165,027	169,157	199,474
Excess of annual leave earned over leave taken	90,706	24,200	35,000
Total personal services [1]	3,678,059	4,138,940	5,056,093
02 Travel	183,207	215,153	229,138
03 Transportation of things	17,183	22,783	30,125
04 Communication services	73,739	85,991	94,310
05 Rents and utility services	153,294	57,258	66,210
06 Printing and reproduction	9,040	8,508	8,759
07 Other contractual services	209,279	330,979	336,239
Services performed by other accounts	394,265	392,794	416,739
08 Supplies and materials	244,890	232,830	315,427
11 Grants, subsidies, and contributions	36,203	42,703	46,960
13 Refunds, awards, and indemnities	412	500	
Subtotal	4,999,751	5,528,439	6,600,000
Deduct charges for quarters and subsistence	5,365		
Obligations incurred	4,994,206	5,528,439	6,600,000

[1] These figures were derived by applying the percentage of the total applicable to this appropriation on the basis of an analysis of specific activities. Since the Bonneville Power Administration realizes definite economies from conducting the construction program and the operation and maintenance program on an integrated staff basis, it is not possible in many cases to assign individual positions to a specific program. This method of prosecuting the Administration's programs is reflected in administrative provisions contained in appropriation language for the Bonneville Power Administration.

Analysis of expenditures

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year		$238,227	$283,666
Obligations incurred during the year	$4,994,206	5,528,439	6,600,000
	4,994,206	5,766,666	6,883,666
Deduct unliquidated obligations, end of year	238,227	283,666	368,666
Total expenditures	4,755,979	5,483,000	6,515,000
Expenditures are distributed as follows:			
Out of current authorizations	4,755,979	5,099,773	6,231,334
Out of prior authorizations		238,227	268,666
Out of anticipated 1952 supplemental for pay increases		145,000	15,000

Mr. KIRWAN. We will now take up "Operation and maintenance." The appropriation for this year is $5,368,439. The request for 1953 is $6,600,000, an increase of $1,231,561.

Do you have a general statement to make on this item, Dr. Raver?

GENERAL STATEMENT

Dr. RAVER. Major items of increase for items of operation and maintenance result from additions to the transmission system. During fiscal year 1953 we will install 615 circuit miles of transmission lines, 14 new substations, and substation capacity will be increased 964,500 kilovolt-amperes. The item of increase, however, which requires the largest portion of increase for operations and maintenance, will be the manning of microwave equipment which we have been constructing during the past 3 years. I have discussed with you in the past the importance of the microwave program to control of the vast grid system upon which the Pacific Northwest depends for its major source of power. The microwave equipment, which is independent of the transmission facilities themselves, provides the control and communications whereby it will be possible to obtain the greatest advantage out of the entire grid system of the Northwest with its increasing number of generating plants and expanded area of grid system coverage.

About 86 percent of the total increase requested for operation and maintenance will be applied to the direct system operation and maintenance work I have just described. The remaining 14 percent of the increase is for power marketing and general administration activities.

Now, I might give you a summary breakdown of those figures. The amount appropriated for operation and maintenance in 1952 was $5,368,439. Now, if you add to that figure the amount of our annual pay increase, which Congress authorized in 1952, the amount that we would have on an annual basis this year is $204,000. So to compare what we are asking this year with what we received last year you have to compare the total of those two figures, which is $5,572,439. The increase between that figure and the $6,600,000, for which we are asking this year, is $1,027,561.

Now, if we look at that increase first of all we have a pay increase granted to our hourly wage employees which was granted in February of 1951 and the cost of which in 1952 is $91,000. That is one factor in that $1,027,000. We are not covering in that $1,027,000 increase a possible further wage increase for this year, which I suspect we will have to cover. Our wage negotiations for this coming year are not completed as yet, and we are not permitted by budget rules to forecast in the budget what we think our wage increase will be, so there is nothing in this $1,027,000 increase for a possible further wage increase that we are going to have to meet.

Breaking that down further, $359,000 of that increase is for control and communications. Now, that is for additions to the control and communications system which will be installed very largely in fiscal year 1953 with further major additions in 1954. It covers the primary means of operation and control, and will result in savings in operation by the installation of supervisory control, fault locators, and things of that kind.

Now, I think that some explanation of that is needed. In the operation of a transmission grid system such as we have here, which is tied in not only with the generating resources of the Federal Government, the various dams being constructed by the Federal Government, but which is also tied in with the generating resources of all the other utilities of that region, both privately and publicly owned, some of which have steam capacity and some of which have hydro dams, and some of which have a combination of both, you have some major problems of operation that affect not only ourselves but primarily affect our customers. They are private utility companies and public agencies as well as industries.

MICROWAVE SYSTEM

This supervisory control, for example, which we are putting into effect in connection with the expansion of our microwave system, is important. The first leg of this microwave system has been installed from the Snohomish substation north of Seattle south to the J. D. Ross substation at Portland. It will be expanded from the J. D. Ross substation up the river and across to Grand Coulee Dam; south toward Eugene; with a further interconnection from Midway north and west across the Coast Range to Snohomish.

Now, when you have the possibility of a complete system breakdown in the operation of a system of this kind, because of a fault some place on the system, it is awfully important that you be able to immediately isolate that portion of the system where the fault occurs, so that the fault does not spread like a house of cards around the entire system. Now, when you have nothing but a telephone, or when you have radio communications, or when you have carrier current communications—we have all three of these on the system—there is always the time lag of making a call to an operator and getting him on any one of those. The microwave makes it possible for push-button control of the relaying facilities, which will trip the appropriate circuit breakers and isolate a piece of the system immediately. In other words, you get the information where the fault is. This information comes into the central dispatching headquarters. All the man has to do is push a button and throw a switch, if it is in a certain area, and it will cut out that portion of the system. Or if it is over in this area [indicating near Spokane] we have a supervisory control over there likewise.

Now, the initial installation of that system is going to cost us some money; and the full benefits of it will not be received immediately; but they will be received as the system expands. We are taking a pretty heavy cost this year on our operation and maintenance in this year's request for the installation and development of the supervisory control and the maintenance of an operation of that kind of a new system. That is $359,000.

There are in that story some new engineering developments which are of great interest to the industry. We are the first electric utility to undertake this on this kind of a basis. It has been going along as a part of communications. Whenever you build a transmission line you have to have the control devices to go with it. They have always been included in our appropriation request, whether it is carrier current or radio or telephone service. That portion which is chargeable

to operation and maintenance is charged to operation and maintenance, and that portion which is construction goes along with the construction of the transmission line. In other words, there is no point in building a transmission line unless you have the device to operate and control it efficiently. The development of this particular device falls in that category.

We had engineers in the Navy and the Army during World War II who received special training in connection with radar and this whole microwave development, which really came out of that war situation. Our engineers have worked with the manufacturers in developing new equipment, and it is becoming one of the great things in the entire industry.

I do not want to be misunderstood. We have not invented anything, our engineers here, but it has been a matter of adaptation of new scientific developments to the problems of the operation of a high voltage integrated transmission system. It is proving very successful.

OPPORTUNITIES FOR SAVINGS

We have other opportunities of saving costs. For example, one of our problems in cost is the tremendous losses in transmitting power over an integrated system of this kind. That is, the percentage of loss is very low on our system, but as your system grows the amount of kilowatt-hours lost on a system totals up to a big figure. One of the basic problems which our engineers are working with, with the consultants that we have and the specialists in these fields, is this problem of losses. This particular problem is being worked out with consultants at the Massachusetts Institute of Technology, in developing the basic formula for a grid system of this kind in which you load the lines to the point where you get the maximum efficiency out of the transmission with a minimum loss. Microwave is an important aspect in controlling the system to secure the minimum loss.

The same thing is true with the operation of the reservoirs in the area. You are dealing with supplies of water. Your problem is basically to get the maximum efficiency out of that water. You can lower your reservoirs too rapidly, or you can hold them up too long. When you combine the operation of the water in the reservoirs, together with the operation of your system, to get the maximum efficiency in your generators and the minimum losses from your system, you get mathematical problems of a very high order, and that is being studied by consultants to try to arrive at formulas where, with the use of microwave for control, it may give us optimum efficiency. I do not know that we will ever reach that, but it is an attempt to improve that efficiency. That is the background for that $359,000 item of addition this year, which is a pretty big item, and I have gone into some detail as to why we feel that item is justified.

OTHER LARGE ITEMS OF INCREASE

The next two items are also large items. For example, the line and substation maintenance item increase is $253,000. It seems to me the justification for that is rather obvious in the increase in the number of lines and the number of substations we have. You will find percentagewise that the increase in the number of miles and the kilovolt-

ampere substations is greater than the increase percentagewise in dollars for operation and maintenance.

The same thing is true as to the operation of the system. We have an increase of $266,000 here, which is tied in directly to the operation of additional mileage and additional substations of the system.

Those are the major items in that million dollars. That leaves about $140,000 for the normal increase in marketing problems, billing problems, provision of services to all parts of the agency, and administration problems of an administration growing to this extent. That is a general summary, Mr. Chairman. The detail justifications for all those items I will be glad to go into further. I want to point out that we have had an increase of substation capacity of 21 percent.

Mr. KIRWAN. We will insert in the record at this point the tables on pages 86, 89, 91, and 94 of the justifications, showing the major activities.

(The tables referred to are as follows:)

1. Maintenance of the transmission system, $613,094

Subactivity	Adjusted appropriation	Base, 1953	Estimate, 1953	Increase
(a) Transmission line maintenance	$710,778	$710,778	$813,190	$102,412
(b) Substation maintenance	647,708	647,708	760,837	113,129
(c) System protection and control maintenance	555,126	555,126	913,610	358,484
(d) Electric testing laboratory	60,371	60,371	73,239	12,868
(e) Material specifications and inspection	19,160	19,160	25,403	6,243
(f) Maintenance, supervision and engineering	213,956	213,956	233,914	19,958
Total	2,207,099	2,207,099	2,820,193	613,094

2. Ceration of the transmission system, $266,412

Subactivity	Adjusted appropriation	Base, 1953	Estimate, 1953	Increase
(a) Power scheduling and dispatching	$208,955	$208,955	$275,325	$66,370
(b) Substation operations	1,194,711	1,194,711	1,339,252	144,541
(c) Lease of facilities and purchase of power	159,168	159,168	178,016	18,848
(d) System engineering operating activities	176,028	176,028	207,077	31,049
(e) Operation supervision and engineering	35,112	35,112	40,716	5,604
Total	1,773,974	1,773,974	2,040,386	266,412

3. Power marketing, $59,384

Subactivity	Adjusted appropriation	Base, 1953	Estimate, 1953	Increase
(a) System programing	$54,912	$54,912	$61,036	$6,124
(b) Power rate studies	97,871	97,871	102,288	4,417
(c) Power contract service	172,293	172,293	179,148	6,855
(d) Load estimating	161,808	161,808	178,418	16,610
(e) Power resources	108,599	108,599	130,478	21,879
(f) Power marketing policy and supervision	41,155	41,155	44,654	3,499
Total	636,638	636,638	696,022	59,384

4. General administration, $88,671

Subactivity	Adjusted appropriation	Base, 1953	Estimate, 1953	Increase
(a) Policy development and program management	$426,158	$426,158	$454,938	$28,780
(b) Fiscal and administrative services	452,794	452,794	484,085	31,291
(c) General services	40,862	40,862	43,876	3,014
(d) Miscellaneous undistributed items	34,914	34,914	60,500	25,586
Total	954,728	954,728	1,043,399	88,671

POSSIBLE REDUCTION

Mr. KIRWAN. If the construction funds are denied for any of the proposed projects in the budget, which of the operation and maintenance activities could be trimmed down with the least damage to an over-all operation?

Dr. RAVER. Well, if any of the lines to be energized by 1953 were cut out there is a certain amount of line and substation maintenance and line operation of the system on the operation and maintenance side which would be cut down, I suppose, but it would be very small, percentagewise.

NEED FOR REQUEST

Mr. KIRWAN. You think there is not any weak point in your request to the budget and to the Congress? Every dollar you have asked for you think is necessary to carry on not only national defense but industry and to cooperate with utilities and others in that area?

Dr. RAVER. I do, because when my staff presented this budget to me I cut out an awful lot of things in it which I thought we could get along without. I realize that this is a big increase, and I think I have insisted on cutting out everything that I could find in it which was brought to my attention, which I could not justify.

PERSONNEL INCREASE

Mr. NORRELL. How much additional personnel do you have in the budget—that is to say, personnel that you did not have appropriated for this year?

Dr. RAVER. In 1952 the average number for the year, of all employees on operation and maintenance, is 841. The 1953 estimate is 1,001. That is an increase of 160.

Mr. NORRELL. Is that increase brought about by virtue of the expansion of your transmission system in the Northwest?

Dr. RAVER. Yes, sir; and the increased number of substations.

Mr. NORRELL. Is it exclusively on the new lines that are being placed into operation, or you have added employees to the old system?

How do you divide it between the old and the new part of the system?

Dr. RAVER. 120 out of that 160 is an increase in the field due to the expansion of the physical facilities.

Mr. NORRELL. Outside of that, it is an increase in the field due to the expansion program?

Dr. RAVER. Yes.

POWER SHORTAGE IN THE NORTHWEST

Mr. JACKSON. Dr. Raver, I wonder if you might comment briefly on the power shortage problem in the Northwest?

From time to time it has been said that in spite of all these Federal expenditures we have a power shortage. My own view is that that is not a proper indication of operations; it would indicate to me that there is a product for sale up there that has great demand. It is like the fellow who operates the store and manages to turn over his product many times and most of the time he finds that his inventory is very low.

I would say that he is engaged in a successful business and is doing very well, if he is unable to get, after proper diligence, the necessary goods to replenish his stock.

My own thought is that it does not quite add up to say that because he is selling everything that he is not doing as well as the fellow who has the surplus in his store and is not disposing of his stock.

I wonder if you might briefly comment on this power shortage problem in the Northwest. Perhaps you might get at the basic cause of the shortage.

REASON FOR SHORTAGE

In your opinion, what is the basic cause of the shortage?

Dr. RAVER. Well, the demand has grown faster than physical facilities could be installed to take care of it. Financially, the shortage, I suppose, is a good thing.

As I pointed out, we never have had any higher net revenues than we had this year because we sold everything that we could possibly sell.

Mr. JACKSON. In other words, you have not been stuck with a surplus so that the water has been literally going to waste. That is, going over and not being utilized. You have utilized all of your available resources?

Dr. RAVER. We have utilized our full investment.

Mr. JACKSON. So that you have not had a surplus that would be in a sense a waste in that you are not using it?

Dr. RAVER. That is right. There is a lot of water going to waste, but we have not had the facilities to use it. We are using our facilities fully.

With regard to how the power shortage arose and what is being done to try to remedy it, that is a matter of some controversy. I can understand the position of people who point out that here we have a shortage and perhaps it is due to the fact that the Federal Government is doing this job out there, providing power supply by and large, or the major portion of it anyway, rather than having either public agencies through private capital, or public utilities through private capital do it.

OTHER POWER-SHORTAGE AREAS

Mr. JACKSON. The statement has been made from time to time, and it has been made on the floor of the House, that one area where the Federal Government is engaged in a huge Federal generation system, or huge Federal construction program to provide new generation facilities, there is a power shortage. There is also the statement that there is a power shortage in TVA.

Mr. JENSEN. And in the State of Nebraska.

Mr. JACKSON. Mr. Jensen has called my attention to the State of Nebraska as also being a power-shortage area.

Dr. Raver, would you advise me as to what great Federal power facilities have been built in the State of Nebraska? Do you know of any?

Dr. RAVER. No, they do not have the water situation that we have in the Northwest. There are a couple of small dams there.

Mr. JACKSON. Until recently there were no Federal projects in Nebraska?

Dr. RAVER. No, sir.

Mr. JACKSON. Is it fair to assume that because the Federal Government is building dams in those areas that it follows that the power shortage stems from Federal construction?

Dr. RAVER. Well, I do not think so.

Mr. JACKSON. I am trying to follow the line of reasoning that is indulged in in these two areas by trying to pin the shortage on Federal construction.

Dr. RAVER. I can only speak for the situation in the Northwest, with which I have some familiarity.

The shortage is Nation-wide. You will find it all over the Nation so far as taking care of this growth in national defense requirements is concerned, but in the Northwest I do not think it is a fair statement to say that the shortage is due to the fact that the Federal Government is doing the job.

FINANCING LARGE HYDRO PLANTS

Number 1, the Federal Government is the only agency that can finance a multiple-purpose river-control development. I do not know of any other agency that can put up the tremendous sums of money involved for navigation, flood control, and irrigation.

Now, the power features of those multiple-purpose dams in the Northwest at the moment loom as the largest features because of the tremendous growth in the demand for power; so that we are under terrific pressure to make these large investments just for the purpose of power, but they are being made for these other purposes just as well. Those are all-important purposes which are generally accepted as Government purposes.

I do not know of any place in the United States where those features are financed by private capital or by public agencies using private capital.

With that kind of a situation, if I may continue just a moment, power is the life blood of the capitalistic system. It is one of the very basic roots of this system. Someone must raise the capital to provide that power supply.

I am not arguing whether the Government should or not, but in the Northwest I do not see where else it is coming from. If you are going to have a healthy, free-enterprise system in the Northwest, this job has got to be done by someone because there is no other place to get this power. We have little coal and we have no oil. This is the Northwest's power supply.

We have a problem and it seems to me this is a problem that needs the sympathetic and careful consideration of all parties in our economy.

Our problem is to do our job and to help in every way we can to help to get other public and private agencies out there to do whatever they can do to help, and they are doing what they can so far as I am able to determine.

But, after they get all through doing what they can on smaller streams, assuming they can overcome fish controversies and other things of that kind, it is a drop in the bucket so far as the needs of this basic, dynamic economy of the Northwest is concerned, as compared with what the Federal Government is going to have to do.

Now, it is a matter of recognizing the unique situation in the Northwest as far as I am concerned. I do not know whether that is true in other parts of the country and I am not going to argue whether it should be true or not, but I believe that out of the experience that we have had in the Northwest, those conclusions are the conclusions of rational, reasonable men all over that region, regardless of whether they are in the private utility field or where they are.

POTENTIAL POWER CAPACITY OF THE NORTHWEST

Mr. JACKSON. In the Northwest we have a potential capacity of between 38 and 40 million kilowatts; is that not correct?

Dr. RAVER. It depends upon how much storage capacity you are going to be able to get. For example, if we lose Hells Canyon Dam, you lose 4 million acre-feet out of a potential 30 million acre-feet we have to have to do even two-thirds of the job.

Mr. JACKSON. I mean if all of those dams were built that are feasible from an engineering point of view on the Columbia River and its tributaries, you would have between 38 and 40 million kilowatts, as I understand, or almost half of the present output in the United States.

We have only developed a little over 3 million that is actually harnessed or producing at the present time.

I would say, Mr. Chairman, it is obvious to me that it is understandable why we have a shortage because we have just tapped the potential. We have not really scratched the surface so far as what the total output would be when all of it is harnessed.

COLUMBIA RIVER DAMS BUILT PRIOR TO 1933

I am not picking the bone of the private utilities, but could you state what dams were built on the Columbia River prior to the inauguration of the Federal construction program in the spring of 1933, when Grand Coulee got underway?

Dr. RAVER. The only dam that was built was the Rock Island Dam on the main stem of the Columbia River.

There have been some dams built by private companies on tributaries, but let me point out that the Rock Island Dam has no navigation features and has no flood-control features and has no irrigation features. It was built as a power dam.

I suppose the private power companies could build more power dams on the Columbia if you want to give up, as a matter of national policy, the physical control of the river's water supply for all of its purposes, including flood control, navigation, irrigation, and so forth.

Mr. KIRWAN. Just a minute, Doctor.

(Discussion off the record.)

RESPONSIBILITY TO FURNISH POWER

Mr. NORRELL. I would like to ask one question if I may.

For example, say I am going to locate an industry and I live in Ohio, and I use 100,000 kilowatts of power per year.

Now, the private enterprise in Ohio, or in Arkansas, we will say, would build a steam plant and supply that power, if we locate there; or, it could be located in the State of Washington in the Bonneville area, we could get power from the Government dams.

Would it be according to your opinion of good operations that the Government should assume the supply of that power in the State of Washington at, of course, Government expense, when the same power could be and would be supplied in the State of Ohio at private expense? What would you think should be done in the case like I have illustrated to you?

Dr. RAVER. I think in a free economy, such as we have, an industry should be permitted to locate where its costs are lowest.

Now, insofar as power is a factor in that location, that is all right, but it would not be the only factor. Transportation costs would be a factor which are definitely against the Northwest.

Raw material is a factor which is against the Northwest in the case of aluminum. You have the bauxite right there.

Those factors, transportation and the availability of bauxite alone might make it economically feasible for the company to locate with a steam plant in Arkansas rather than with cheaper hydro in the Northwest, but the fact that the power is provided by the Government in the Northwest, so long as the Government is collecting the cost for that power, it does not seem to me that it should make a difference in permitting the industry to locate where its over-all costs are the lowest.

Mr. NORRELL. We are faced now with the idea of constructing the facilities to supply this power, and if the Government does not have it, then it is a question of whether the Government should go to the expense of constructing those facilities or not.

Frankly, I believe, Dr. Raver, that we agree on what should be done and that is the Government should step in if and when the power cannot be supplied in any other way.

Now, I subscribe thoroughly to the construction of these hydroelectric dams. On that same basis, the Government should not be required to construct something that private enterprise can and will provide, and is anxious to provide.

That privilege should not be taken away from them.

AMOUNT APPROPRIATED FOR OPERATION AND MAINTENANCE

Mr. JENSEN. How much have we appropriated for operation and maintenance?

Mr. OSTRANDER. The total amount of operation and maintenance expenses charged to power, not only for the Bonneville Power Administration but for the dams, too, up to June 30, 1951, was $57,200,000.

RATES FOR POWER

Mr. JENSEN. What are your present rates to public utility districts, to industry, and to private utilities?

Dr. RAVER. We have the following rates for industries and both private and public utilities.

The C–3 and C–4 rate, which is a straight demand rate. In other words, it is $17.50 per kilowatt per year, per kilowatt of demand. That is one rate which is available to both public and private agencies and to industries.

Mr. JENSEN. That would amount to about 2 mills per kilowatt?

Dr. RAVER. That rate for the fiscal year ending June 30 cost the utilities, both private and publicly owned, who used it, 2.34 mills, and it cost the industries which used it 2.05 mills. The difference between the two rates is due entirely to the load factor at which the customer used the power, since it is a straight demand rate.

In other words, you pay so much for a kilowatt of capacity. You pay $17.50 per year for the use of a kilowatt of generating capacity. If they used that generating capacity 100 percent of the time, namely 8,760 hours in a year, then you would divide the $17.50 by 8,760 hours, and you would get 2 mills per kilowatt-hour, which would be your price. If they only used it half the time, you would divide by half as many hours, and you would get 4 mills per kilowatt-hour.

The use of these industries and of these utilities, therefore, under that particular rate structure, determines their rate per kilowatt-hour.

FULL USE OF POWER

Mr. JENSEN. Most of them use the full amount, do they not?

Dr. RAVER. The industries use it on a 24-hour around-the-clock basis, and come pretty close to getting 2 mills. The other utilities cannot make that good use of it. It costs them a little higher per kilowatt-hour.

VARIOUS RATES CHARGED

Then we have another set of rates, a demand-energy rate for firm power. In other words, you have a demand charge to cover the cost of the capacity which you are providing. You have an energy charge to cover the cost of the energy that the customer actually uses.

That rate to industries has cost an average of 3.48 mills. To utilities which used it, both public and private, it costs an average of 4.77 mills.

I might say, however, that the amount of kilowatt-hours sold under that structure is relatively small. Nevertheless it may be favorable to some utilities, because of their load factor characteristics, over the other rate structure.

Then we have the at-site rate for the sale at the dams of power to be used within 15 miles of the dams. Under that rate we have sold very little power. It is $14.50 per kilowatt-year, as compared with the $17.50 per kilowatt-year rate that we charge on our transmission grid system.

The average received for power sold under that lower rate per kilowatt-year was 3.26 mills per kilowatt-hour. In other words, the customer does not have a very good load factor, the customer who uses it, even though he gets a differential because it is close to the dam.

Then we have the so-called E rate, which is designed primarily to take care of service to customers who have no generating facilities of their own. That rate is likewise a demand-energy form of rate. It has a demand charge and an energy charge. We have sold quite a bit of power under that rate at an average price of 3.22 mills to the customer.

Then we have an experimental rate on dump power.

Dr. RAVER. The over-all average for all those rates was about 2.4 mills last year.

Those are the only rate structures we have.

CHEAP POWER

Mr. JENSEN. You know, of course, Doctor, that I, as one of the members of this committee, hoped in years past that private industry would stay in business up there and could borrow money enough to develop and expand their facilities of operation. As time went on we discovered that private utilities capitulated completely. They used to come down here years ago and say, "We can build this line; we want to build this line. We want to build that line."

Now, we never see them any more. That is for a very good reason. They are buying power from Bonneville Power Administration for less than they can possibly produce it themselves, because of the very fact that Bonneville Power Administration pays neither local, State, nor Federal taxes. It is also because of the fact that Bonneville Power Administration sells power so cheaply that no money lenders will lend them the money to build the facilities which they would build if they did not have competition which they can not meet.

I have supported the Bonneville Power Administration's appropriations, I believe, to just about as great a degree as any member of this committee. I have done that for the simple reason that I could see that we had to have power up there and the only way we could get it was, in the final analysis, through the building of dams paid for with the taxpayer's money.

DEPENDENCE ON BONNEVILLE POWER

That power is distributed by the Bonneville Power Administration now. The time has come now when it appears the people of the Northwest must depend almost entirely on the expansion of the Bonneville Power Administration. There is nothing to do but do as we have been doing.

Private industry is out of the picture almost completely. Municipalities are almost out of the picture completely. They are not expanding to any degree, comparatively speaking, to other sections of the country.

I have been going along, and I will go along again in voting for money for everything you need up there that I think is right and just, as I have been doing in the past, because it is just a case where Uncle Sam is running the show.

You said a moment ago that power was the lifeblood of America. Of course it is. You give me control of the power in America and I will control America. So can you, or any other man.

I had hoped that we could still keep private industry in business and not have private industry thrown out of business in the electric

industry or in any other industry in America, as it has been in the Bonneville area.

I think, Doctor, I have been just as fair as anyone could be who has that ideology of government. I am going to keep on, so long as God will let me live, seeing to it that the taxpayers of America and the people who pay the taxes have a fair break.

If I have said anything out of order that you take objection to, I would like to hear from you.

CONTROL OF WATER AND POWER

Dr. RAVER. So far as control is concerned, Congressman, in the Northwest, again, there are two control problems. One is to control that terrific water system physically.

Now, that is an engineering problem. That isn't a political problem of control. The additional benefits to the people of the region of doing that job on a sound engineering basis are substantial. That is one type of control that I don't think you would disagree should be handled in a manner to get the best results possible out of the dollars you expend. That comes from having a plan by which all of these dams are related to each other for these different purposes and can be operated together to get the maximum benefits.

So far as the control of the power itself being in the hands of the Administrator of the Bonneville Power Administration, I don't feel that way. It seems to me the control is in the hands of the Congress of the United States and in the hands of the people of this country and should remain that way.

The control that the private utility companies would like to have is their control over that resource. Now, there is the basic issue. Whether it is going to be under the control of the people of the United States or under the control of some private interest—it is going to be under the control of somebody, I will admit, and I have no desire to be the person in control; but, from a practical point of view, someone does have to control the major sale and utilization of that power supply.

I think the local people out there should have representation in that control and certainly the water rights of the States should be recognized. They do have it through their Congressmen now, but perhaps they should have something additional.

I think, out of all the experience that we are having, that we are trying to work out a cooperative relationship with all the interests involved there—the private utility companies, the various agencies, the various business and farm interests, to a solution of this control problem. I think we are going to come out with something that will be within the true framework of the democratic system that we all believe in and are trying to protect.

I share some of your concern, Congressman, about this control thing, but I think we have all got to look at this particular situation in the Northwest very carefully and see if we can come out with some kind of control mechamisn that will preserve the basic rights of the people of the region and still accomplish that thing which is essential to their economic health.

That is my basic philosophy about it. You have stated your own and invited an opinion, and I wanted you to know how I feel about

it because I think that is one of the very important problems which we are still struggling to solve. I think it ought to be solved cooperatively, in the interests of the people affected.

Mr. JENSEN. We must never forget we have laws on the statute books controlling monopolies, but there is no law in the world that can control government. We just don't have laws to control big government. That is the thing of which we must not lose sight.

APPROVAL OF PRIVATE-UTILITY CONSTRUCTION

I was a little surprised, Doctor, when you were showing us the hydroelectric dam sites near an area there where private industry was building and you said you gave your approval to it.

Now, is it necessary for private industry to get the approval of the Bonneville Power Administration to build hydroelectric-power dams or other power-producing facilities?

Dr. RAVER. No, sir; it isn't necessary at all.

Mr. JENSEN. You said you gave your approval. Couldn't they have done it without your approval?

Dr. RAVER. Yes, sir; they could. I am sorry if the word "recommended," which was the word I used, was interpreted in that fashion. It was a part of this cooperation that I spoke about formerly; that we are trying to develop and work out. We need their cooperation, and they need ours.

Now, we helped them. I will put it that way. Whether they needed our help or not, that is a question. However, we recommended a program of non-Federal construction to the Defense Electric Power Administration over a year ago. I reported it to you when I was here last year. It was with regard to dams that could be built in a short period of time. That was a matter of trying to fill the gap for national defense.

Mr. JENSEN. Do you think, if you had not recommended the building of those dams, they would not have been built?

Dr. RAVER. I don't think it would follow at all that they would not have been built if we had not recommended it, because, if for no other reason, the facts of the situation indicated they should be built.

NECESSITY OF APPROVAL

Mr. JENSEN. What I am trying to find out, Doctor, is it necessary that you give your approval?

Dr. RAVER. No; it is not necessary.

Mr. JENSEN. Was it necessary for you to make a recommendation as to what private industry should do out there?

Dr. RAVER. No, sir; it was not necessary.

Mr. JENSEN. Why did you do it?

Dr. RAVER. I thought it would be helpful. Just as I feel it is very helpful when those private utility companies come in here and recommend some of the things we think ought to be developed. If they fit into the over-all pattern of improving the power supply of this region, then we all ought to be together on it, and that is what we are trying to develop out there—a pattern and a program of being together for the good of the region.

LONG-TERM CONTRACTS

I might say, in connection with that, only within the last few months have we finally come to agreement on long-term power contracts with all of the private utility companies in the western pool. I reported to you last year we came to agreement on a long-term contract with the Montana Power Co. These new contracts follow that pattern that we established pretty well with Montana Power.

Now, that is important to them, and it is also important to our whole development that their place in the program is finally worked out. They know where they are; industries know where they are; public agencies know where they are, in connection with new supplies that come in. They are still perfectly free and able, in some instances, to go in and put in supplies of their own.

To that extent, there is nothing in this contract that prevents them from doing it. But, as the Government goes ahead with its program, they know what they are going to get out of it now, under the terms of this contract.

I think that is something in the direction of establishing the kind of cooperative relationships that are healthy in a region under which the Government is a partner in helping develop the resources of a region, as it should be, it seems to me in all parts of the country.

The Government expenditures here are expenditures to help keep a free-enterprise system moving, dynamic, and developing, and it isn't the only place the Government is making expenditures for that purpose all over this Nation. This is an example in a field which has more controversy than some of the others.

POWER MARKETED

Mr. JENSEN. How many kilowatt-hours of electricity did you market last year?

Dr. RAVER. A little over 15 billion kilowatt-hours. We produced a little over 16 billion, but we marketed about 15.1 billion. The rest of it was system use and transmission losses.

Mr. JENSEN. How much would 3 mills a kilowatt equal?

Dr. RAVER. $45 million.

Mr. JENSEN. If private industry had marketed the power that Bonneville had marketed, they would have paid in local, State, and Federal taxes, in 1 year, approximately $45 million. Is that right?

Dr. RAVER. They did market the power. They paid those taxes through their resale rates. That is where the taxes are collected. We don't market that power to the retail people who pay the taxes. We market it wholesale to the utility companies, and they in turn market it to the people who pay the taxes, and they pay the taxes on it into the Treasury.

Mr. JENSEN. But you don't pay local, State, and Federal taxes on your property.

Dr. RAVER. We paid $14,500,000 to the Federal Treasury over and above all expenses and interest last year. It is accounted for on a cost-accounting basis and certified to by one of the outstanding auditing firms in the Nation. I don't care whether you call it taxes or profit.

Mr. JENSEN. Of course, it isn't taxes.

Dr. RAVER. It goes to the Treasury. They can use it in lieu of taxes or use it to build up an equity to pay off investments of one kind or another.

ACQUISITION OF PROPERTY BY PUBLIC UTILITIES

Mr. JENSEN. Have public-utility districts taken over any private property or private-utility property during the past year in the State of Washington, under their State law?

Dr. RAVER. I don't believe there have been any acquisitions during the past year. There are two major acquisition proposals being considered now. One is the acquisition by the public-utility districts in the Puget Sound area, of the remaining properties of the Puget Sound Power & Light Co. Part of their property was sold last year to the city of Seattle.

Another proposal is the proposed sale of the Washington Water Power Co. to three PUD's in the State of Washington. I know of no other proposals.

Mr. JENSEN. Does Bonneville Power Administration encourage that business?

Dr. RAVER. No, sir; they are not actively encouraging it. I want to say this: that we feel under obligation under the terms of the Bonneville Act, if those acquisitions are made, to make contracts which include the preference and priority provisions in the Bonneville Act for the sale of power to those public agencies. They know that. They have consulted us about it, and we have assured them that under the contracts that we have made with the private utility companies we have protected that right which Congress has given them to a preference for our power if they make the acquisitions.

Mr. JENSEN. In other words, after they have taken over the property under the Washington law, which permits public utilities to confiscate the property of private utilities, you let them know beforehand that you are willing to furnish this power?

Dr. RAVER. As a matter of law. They are protected in that right which is theirs by statute, in the contracts we have made with the private utility companies.

Mr. KIRWAN. Doctor, I am happy to have you and your staff here again today. You have presented a very good case to the committee for your budget. Thank you for coming.

MANAGEMENT-IMPROVEMENT PROGRAM

Dr. RAVER. Could I ask the privilege of putting a statement in on our management-improvement program, which I failed to mention this morning?

Mr. KIRWAN. We would be happy to have it.

Dr. RAVER. And also to again impress something upon the Congress, something about which I spoke in the past which has been granted, and that is our need for flexibility in the handling of our funds. In a program as dynamic and subject to as many changes as this program is at the present time, we need that flexibility. We are trying to demonstrate to you that we are giving a good account of

ourselves when you give us that flexibility, and we hope we will have the same privilege this coming year.

Mr. KIRWAN. You may put it in.

(The information referred to is as follows:)

SUMMARY OF MANAGEMENT IMPROVEMENT ACCOMPLISHMENTS AND PROGRAM FOR THE CURRENT YEAR

1. As a final step in completing the general reorganization of the Administration, field activities, including control and communications, operations and maintenance have been pulled together with load estimating and system development work in area offices. This will provide better information on system development and customers' requirements, and more effective and economical utilization of manpower, materials, and facilities through closer and better integrated field supervision. Each operating division is continuing to analyze its work to see what additional activities can be simplified through further decentralization.

2. Development of the management improvement program has continued during the fiscal year through the stimulation of supervisors to find ways and means to do their jobs better and more economically. Of major importance in this connection has been the Administration's incentive award program under which 30 awards for suggestions and efficiency have been made. These awards represent total first-year savings of more than $1,300,000. This amount includes technological engineering savings mentioned elsewhere.

3. Continued successful work has been carried on to develop interdepartmental and interagency relationships.

4. During the fiscal year, the program to obtain improved conservation and utilization of manpower has shown results. Intensive training of new engineers has substantially increased the productivity of these men during their first year. In addition, better management of personnel needs is being attained through a recently introduced system of a quarterly review of staffing requirements. Continued attention has been given to building employee morale and increasing the value of other employees to the Government through training and apprenticeship programs. The Administration has received noteworthy attention for its employment and utilization of the physically handicapped as evidenced by the following letter from the Chairman of the Civil Service Commission:

UNITED STATES CIVIL SERVICE COMMISSION,
Washington 25, D. C., January 10, 1952.

ADMINISTRATOR, BONNEVILLE POWER ADMINISTRATION,
Portland, Oreg.

DEAR SIR: It has just been brought to my attention that your establishment has been recently honored by the receipt of an Award of Merit from the President's Committee on National Employ the Physically Handicapped Week. This award, I know, is given only to those employers who have done an outstanding job in the employment of the physically handicapped.

As Chairman of the Civil Service Commission I am well aware of the importance of Government establishments making full use of valuable services offered by trained handicapped applicants. Please extend my sincere congratulations to all personnel who have been responsible for this achievement.

Sincerely yours,

ROBERT RAMSPECK, *Chairman.*

5. Plans are under way to strengthen and simplify budget work. Improved advance planning for operation and maintenance requirements is one objective of these efforts. A further objective is to make greater use of the FPC system of accounts to make the budget process simpler and more businesslike.

6. Improved methods have been instituted for load estimating. In addition economic and engineering studies are under way to improve and further sharpen our customer service policies.

7. Progress has been made in the further development of construction and clearing contracts and in contractual relations. Additional standard construction

specifications have been developed which will improve all phases of the construction bidding processes. Bid analysis is improved, and efforts to standardize our contract inspection and supervision have made it easier for contractors to bid on the Administration's work and have encouraged competition.

8. Further progress has been made in maintenance activities. A system of spare-parts control for line and substation maintenance now in effect will provide better utilization of parts, and will enable us to make inventories quicker, order spare parts on better schedules, and will improve spare parts management in all its aspects. The use of helicopters for line patroling is proving more effective and economical than previous methods.

9. Design activities have been improved through such methods as the use of additional standard estimates and standard drawings for component parts of substations, as well as additional standard technical specifications for materials. Such standards simplify the work of design as well as procurement. Another development has been mobile spare transformer capacity which can be moved about, thus reducing the number of transformers needed and consequently the amount for spare capacity. Aerial photogrammetry, as a survey technique, and the use of two-way radio communication by survey crews have saved manpower and simplified survey work. Increased utilization of the survey procedures and information of other agencies has reduced the costs of our preliminary surveys. Improved operations of field survey staffs have been achieved by combining advance reconnaissance with production survey work.

10. In the operation of the system, the initial decentralization of dispatching in one area is proving successful in meeting unusual local conditions. This will provide valuable experience as a guide to further decentralization when conditions require it.

11. We are developing improved ways of purchasing materials. Specifically, an improved method of forecasting material needs is under development which will facilitate more effective and economical use of materials. In connection with this and other supply management functions, stock accounting has been strengthened and simplified. Improvements in material bids procedures are producing increased competition and lower bids, even in the case of some materials in short supply, and are facilitating bids by small business.

12. We are improving the planning of our nonelectrical buildings and our space utilization and management. Through these efforts, we were enabled recently to determine that a number of buildings originally felt to be needed were not needed when considered in relation to all factors. New procedures also provide for an advance program of scheduling building maintenance. We have reduced the number of regular building inspections through the use of check charts which enable inspections to be made by persons utilizing the building in their regular work.

13. We are giving intensive study to the improved utilization of equipment. Additional car pools have been established, and a transportation standards committee has been set up to enlist the participation of all parts of the Administration in the standardization and improved management of transportation and construction equipment. We are cooperating with other agencies in common problems in equipment use. Shop practices and layouts have been improved and are under continuous scrutiny for further improvements.

14. Accounting operations have been strengthened through the development of a procedure and systems staff to simplify further our accounting operations and increase their usefulness for management purposes.

15. Continuous attention is given to economies and standards in the use of reproduction methods, office supplies and equipment, paper and forms.

16. There has been considerable achievement in technological engineering improvements in design, construction, operation, and maintenance of transmission facilities. These are being submitted separately.

JANUARY 15, 1952.

BUREAU OF LAND MANAGEMENT

WITNESSES

MARION CLAWSON, DIRECTOR, BUREAU OF LAND MANAGEMENT
DEPUE FALCK, CHIEF, DIVISION OF ADMINISTRATION
ROYALE PIERSON, CHIEF, BRANCH OF SOIL AND MOISTURE CONSERVATION

MANAGEMENT OF LANDS AND RESOURCES

Amounts available for obligation

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate	$7,087,810	$9,722,605	$10,750,000
Proposed supplemental due to pay increases		335,000	
Available from subsequent year appropriation	22,581		
Available in prior years		−22,581	
Reimbursements from non-Federal sources	32,528	40,000	40,000
Reimbursements from other accounts	205,819	198,695	200,000
Total available for obligation	7,348,738	10,273,719	10,990,000
Unobligated balance, estimated savings	−17,127		
Obligations incurred	7,331,611	10,273,719	10,990,000

NOTE.—Reimbursements from non-Federal sources above are from fees for copying records (64 Stat. 402).

Obligations by activities

Description	1951 actual	1952 estimate	1953 estimate
Direct obligations			
Appropriated funds:			
1. Lease and disposal of mineral resources	$390,994	$427,060	$490,000
2. Land use and disposal	1,063,984	1,142,080	1,345,000
3. Management of grazing lands	1,085,111	1,536,500	1,610,000
4. Forestry	1,487,464	1,826,303	2,055,000
5. Cadastral survey	774,027	792,785	778,000
6. Soil and moisture conservation	983,505	1,194,772	1,736,000
7. Squaw Butte experiment station	38,363	38,000	38,000
8. Fire suppression	249,581	127,419	150,000
9. Maintenance of physical facilities			25,000
10. Weed control		1,810,605	1,345,000
11. General administration	1,020,235	1,139,500	1,178,000
Total obligations from appropriated fund	7,093,264	10,035,024	10,750,000
Reimbursements from non-Federal sources:			
1. Lease and disposal of mineral resources	10,965	14,000	14,000
2. Land use and disposal	16,445	21,000	21,000
3. General administration	5,118	5,000	5,000
Total obligations payable out of reimbursements from non-Federal sources	32,528	40,000	40,000
Total direct obligations	7,125,792	10,075,024	10,790,000
Obligations payable out of reimbursements from other accounts			
1. Lease and disposal of mineral resources	5,080	7,100	8,100
2. Land use and disposal	33,501	37,500	37,500
3. Management of grazing lands	2,797	1,500	
4. Forestry	7,012	4,600	
5. Cadastral surveys	120,402	133,500	141,500
6. Soil and moisture conservation	22,576	1,500	
7. Squaw Butte experiment station	266	600	
8. Fire suppression	1,006		
9. General administration	13,179	12,395	12,900
Total obligations payable out of reimbursements from other accounts	205,819	198,695	200,000
Obligations incurred	7,331,611	10,273,719	10,990,000

Obligations by objects

Object classification	1951 actual	1952 estimate	1953 estimate
Summary of personal services			
Total number of permanent positions	1,023	1,173	1,228
Full-time equivalent of all other positions	225	255	244
Average number of all employees	1,174	1,299	1,420
Average salaries and grades:			
General schedule grades:			
Average salary	$4,415	$4,822	$4,876
Average grade	GS–7.4	GS–7.3	GS–7.4
Crafts, protective, and custodial grades:			
Average salary	$2,808	$3,115	$3,137
Average grade	CPC–4.4	CPC–4.2	CPC–4.0
Ungraded positions: Average salary	$5,241	$5,764	$5,777
Personal service obligations:			
Permanent positions	$4,103,367	$5,051,892	$5,737,565
Part-time and temporary positions	598,438	790,578	737,035
Regular pay in excess of 52-week base		19,255	21,900
Payment above basic rates	92,145	161,100	179,000
Total personal service obligations	4,793,950	6,022,825	6,675,500
Direct obligations			
Appropriated funds:			
01 Personal services	4,637,209	5,857,825	6,510,500
02 Travel	433,504	567,000	622,600
03 Transportation of things	63,799	97,785	65,500
04 Communication services	64,982	56,400	61,800
05 Rents and utilities	117,783	78,676	
06 Printing and reproduction	51,852	61,275	91,500
07 Other contractual services	673,263	1,121,304	1,309,300
Services performed by other agencies	85,435	90,000	100,000
08 Supplies and materials	501,388	1,011,544	1,057,300
09 Equipment	339,060	772,215	359,500
10 Lands and structures	126,106	321,000	572,000
11 Refunds, awards, and indemnities	1,637		
Total obligations from appropriated funds	7,096,018	10,035,024	10,750,000
Reimbursements from non-Federal sources:			
01 Personal services	29,418	35,000	35,000
06 Printing and reproduction	2,500	3,000	3,000
08 Supplies and materials	610	2,000	2,000
Total obligations payable out of reimbursements from non-Federal sources	32,528	40,000	40,000
Total direct obligations	7,128,546	10,075,024	10,790,000
Obligations payable out of reimbursements from other accounts			
01 Personal services	127,323	130,000	130,000
02 Travel	27,127	27,000	30,500
03 Transportation of things	17		
04 Communication services	274	1,150	500
06 Printing and reproduction	3,973	2,250	3,000
07 Other contractual services	11,015	16,000	15,000
08 Supplies and materials	21,970	13,500	18,000
09 Equipment	14,120	8,795	3,000
Total obligations payable out of reimbursements from other accounts	205,819	198,695	200,000
Subtotal	7,334,365	10,273,719	10,990,000
Deduct charges for quarters and subsistence	2,754		
Obligations incurred	7,331,611	10,273,719	10,990,000

Analysis of expenditures

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year		$983,527	$1,018,551
Obligations incurred during the year	$7,331,611	10,273,719	10,990,000
	7,331,611	11,257,246	12,008,551
Deduct:			
Reimbursable obligations	238,347	238,695	240,000
Unliquidated obligations, end of year	983,527	1,018,551	1,018,551
Total expenditures	6,109,737	10,000,000	10,750,000
Expenditures are distributed as follows:			
Out of current authorizations	6,109,737	8,736,934	9,800,000
Out of prior authorizations		940,946	937,120
Out of anticipated 1952 supplemental for pay increases		322,120	12,880

CONSTRUCTION

Amounts available for obligation

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate	$650,000	$700,000	$700,000
Prior year balance available		492,787	88,000
Total available for obligation	650,000	1,192,787	788,000
Balance available in subsequent year	−492,787	−88,000	
Obligations incurred	157,213	1,104,787	788,000

Obligations by activities

Description	1951 actual	1952 estimate	1953 estimate
1. Access roads	$108,982	$1,103,018	$788,000
2. Buildings in Alaska	48,231	1,769	
Obligations incurred	157,213	1,104,787	788,000

Obligations by objects

Object classification	1951 actual	1952 estimate	1953 estimate
BUREAU OF LAND MANAGEMENT			
Total number of permanent positions		10	10
Full time equivalent of all other positions	4	2	4
Average number of all employees	4	12	13
Average salaries and grades:			
General schedule grades:			
Average salary		$4,364	$4,467
Average grade		GS–7.0	GS–7.0
01 Personal services:			
Permanent positions		$39,422	$39,635
Part-time and temporary positions	$12,800	7,440	12,215
Pay in excess of 52-week base		150	150
Payment above basic rates	3,200		
Total personal services	16,000	47,012	52,000
02 Travel	100	5,000	6,800
03 Transportation of things	2,000	2,000	1,000
04 Communications services	10	500	700
05 Rents and utility services		900	
06 Printing and reproduction	60		
07 Other contractual services	2,000	3,600	3,600
08 Supplies and materials	21,830	2,000	2,500
09 Equipment	4,000	6,000	1,000
10 Lands and structures	2,231	39,757	36,000
Obligations incurred	48,231	106,769	103,600

Obligations by objects—Continued

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOCATION TO BUREAU OF PUBLIC ROADS			
Total number of permanent positions	10	10	10
Full-time equivalent of all other positions	2	28	35
Average number of all employees	7	33	40
Average salaries and grades:			
General schedule grades:			
Average salary	$3,463	$3,907	$3,907
Average grade	GS-5.5	GS-5.5	GS-5.5
01 Personal services:			
Permanent positions	$17,021	$19,800	$19,800
Part-time and temporary positions	5,850	111,193	131,520
Regular pay in excess of 52-week base		100	300
Payment above basic rates	1,138	1,200	1,700
Total personal services	24,009	132,293	153,320
02 Travel	147	7,100	7,500
03 Transportation of things	26	4,300	6,650
04 Communication services	3	425	1,275
05 Rents and utility services	45	4,100	6,175
06 Printing and reproduction	58	1,500	2,900
07 Other contractual services	14,003	68,000	73,000
08 Supplies and materials	2,712	47,000	73,000
10 Lands and structures	68,443	733,300	360,580
Subtotal	109,446	998,018	684,400
Deduct charges for quarters and subsistence	464		
Obligations incurred	108,982	998,018	684,400
SUMMARY			
Total number of permanent positions	10	20	20
Full-time equivalent of all other positions	6	30	39
Average number of all employees	11	45	53
01 Personal services:			
Permanent positions	$17,021	$59,222	$59,435
Part-time and temporary positions	18,650	118,633	143,735
Pay in excess of 52-week base		250	450
Payment above basic rates	4,338	1,200	1,700
Total personal services	40,009	179,305	205,320
02 Travel	247	12,100	14,300
03 Transportation of things	2,026	6,300	7,650
04 Communication services	13	925	1,975
05 Rents and utility services	45	5,000	6,175
06 Printing and reproduction	118	1,500	2,900
07 Other contractual services	16,003	71,600	76,600
08 Supplies and materials	24,542	49,000	75,500
09 Equipment	4,000	6,000	1,000
10 Lands and structures	70,674	773,057	396,580
Subtotal	157,677	1,104,787	788,000
Deduct charges for quarters and subsistence	464		
Obligations incurred	157,213	1,104,787	788,000

Analysis of expenditures

	1951 actual	1952 estimate	1952 estimate
Unliquidated obligations, start of year		$60,062	$591,132
Obligations incurred during the year	$157,213	1,104,787	788,000
	157,213	1,164,849	1,379,132
Deduct unliquidated obligations, end of year	60,062	591,132	325,132
Total expenditures	97,151	573,717	1,054,000
Expenditures are distributed as follows:			
Out of current authorizations	97,151	260,000	459,000
Out of prior year authorizations		313,717	595,000

Range Improvements

Amounts available for obligation

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate	$953,114	$380,000	$390,000
Prior year balance available	108,091	530,863	251,510
Reimbursements from other accounts	6,928	10,000	10,000
Total available for obligation	1,068,133	920,863	651,510
Balance available in subsequent year	−530,863	−251,510	−51,510
Obligations incurred	537,270	669,353	600,000

Obligations by activities

Description	1951 actual	1952 estimate	1953 estimate
Direct obligations			
Range improvements	$530,342	$659,353	$590,000
Obligations payable out of reimbursements from other accounts			
Range improvements	6,928	10,000	10,000
Obligations incurred	537,270	669,353	600,000

Obligations by objects

Object classification	1951 actual	1952 estimate	1953 estimate
Summary of personal services			
Total number of permanent positions	17	23	22
Full-time equivalent of all other positions	31	42	43
Average number of all employees	50	64	63
Average salaries and grades:			
General schedule grades:			
Average salary	$3,583	$3,960	$4,064
Average grade	GS–5.6	GS–5.7	GS–5.7
Ungraded positions: Average salary	$4,900	$3,905	$4,063
Direct obligations			
01 Personal services:			
Permanent positions	$73,778	$85,281	$81,800
Part-time and temporary positions	73,488	120,000	122,400
Regular pay in excess of 52-week base		319	300
Payment above basic rates	64		
Total personal services	147,330	205,600	204,500
02 Travel	8,710	10,000	9,000
03 Transportation of things	4,305	6,000	4,000
04 Communications services	385	500	500
05 Rents and utility services	1,325	1,300	1,000
06 Printing and reproduction	39	96	
07 Other contractual services	32,079	89,600	150,000
08 Supplies and materials	223,922	100,000	100,000
09 Equipment	63,806	50,000	30,000
10 Lands and structures	48,441	196,257	91,000
Total direct obligations	530,342	659,353	590,000
Obligations payable out of reimbursements from other accounts			
07 Other contractual services	6,928	10,000	10,000
Obligations incurred	537,270	669,353	600,000

Analysis of expenditures

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year	$28,480	$205,223	$60,000
Obligations incurred during the year	537,270	669,353	600,000
	565,750	874,576	660,000
Deduct:			
Reimbursable obligations	6,928	10,000	10,000
Unliquidated obligations, end of year	205,223	60,000	60,000
Total expenditures	353,599	804,576	590,000
Expenditures are distributed as follows:			
Out of current authorizations	353,599	68,490	278,490
Out of prior year authorizations		736,086	311,510

Mr. KIRWAN. The next item is "Bureau of Land Management." The appropriation for this year was $10,422,605. The request for 1953 is $11,450,000, an increase of $1,027,395.

Mr. Clawson, do you have a general statement?

GENERAL STATEMENT

Mr. CLAWSON. I would like to submit one for the record. In view of the long familiarity of the members with the work of our Bureau, I think it not necessary to go into a discussion of the Bureau's program. You know it thoroughly. I just simply say that what is included for 1953 is a continuation of the work of the past.

The increases are made necessary for two main reasons—a material increase in the demand for public land resources; and, second, a need to provide better protection and conservation for the basic resources at the time of high utilization. The first is like the steady work we do. It is fully self-supporting and important financially. The second main increase requested for 1953 is for the soil conservation work.

The Bureau of Land Management is asking for appropriations of $11,450,000 for fiscal year 1953. Of this amount $10,750,000 applies to our general operating appropriation and $700,000 to the construction item for access roads in O. & C. timbered areas.

The Bureau is fully cognizant of the over-all fiscal situation of the Federal Government and we have diligently endeavored to eliminate any expense which would be unnecessary at a time like this. We are continuing our management improvement work as far as facilities will permit so that we can do our work efficiently. Considerable progress along this line has been made.

REASONS FOR INCREASED APPROPRIATION

The request for the increases is justified in part upon materially increased interest in the public lands and their resources. Our business in several activities has spiraled rapidly. At the same time this increase in business has accelerated revenues. In 1951 our income was 27 percent more than in 1950 and the revenues for 1952 and 1953 should increase further if we have adequate facilities.

The other general factor which influences our request for an increase is the necessity of properly protecting and conserving our resources. At times like this when emphasis is placed upon using resources for immediate needs, the work of replacement is too often minimized. Instead, there should be greater protection from fire and the general

rehabilitation programs on public lands should proceed at an increased rate. Delays in undertaking work of this kind always add materially to the unit cost.

MINERAL ACTIVITY

During the first 5 months of the fiscal year 1952, 41,000 cases were filed in our land offices under the Mineral Leasing Act. This is more than double the number of such applications received during the entire previous fiscal year. Obviously the staff cannot keep current under such a situation. Emphasis has been placed on processing these applications since it means that mineral development will proceed more rapidly and that the Government will receive funds which delays would otherwise cause it to lose. By doing this without additional personnel, the maintenance of adequate records and files on these cases falls behind. Our tract book postings and other land records are in arrears with respect to mineral applications. This condition makes it more difficult; it delays action and at the same time is most confusing to applicants since it is difficult to obtain the up-to-date status of lands.

LAND APPLICATIONS

Field examination incident to land applications is falling further in arrears. We definitely need a greater staff to reduce this backlog. It should be clearly understood that these field examinations are a necessary forerunner to final actions which are large revenue-producing actions. Next year the Bureau should complete all of its field work in connection with the interagency Arkansas-White-Red-River project in order that this project may be completed on schedule.

FOREST MANAGEMENT

There has been little change in the timber-cutting outlook in the past year. Requests for timber still exceed our ability to satisfy demands promptly. In 1952 it is anticipated that approximately 675 million board feet of timber will be cut from public lands under the jurisdiction of this Bureau. At present prices these sales are bringing in large amounts of money.

During the past 6 months fires and storms in the O. & C. lands have damaged large areas of timber and 180 million board feet of timber should be harvested from these areas within the next year. It is impossible to properly take care of emergencies of this kind with our limited facilities. Some more flexibility is essential and the increases which we have requested for forest management will go a long way toward solving these problems and at the same time more than pay for their original cost. It also is necessary that reforestation of denuded areas proceed as rapidly as possible.

CADASTRAL SURVEYS

This program is not being accelerated in 1953. It is closely tied to income-producing activities such as timber sales and mineral leases in that specific locations of areas upon which the resource is found must be made before action can be completed. Our program at present is barely maintaining pace with the more urgent needs.

SOIL AND MOISTURE CONSERVATION

By far, the largest increase is for soil and moisture operations. In recent years the amounts which have been spent for rehabilitation are very small compared to the needs. These areas are practically all within watersheds of important irrigation and power projects. The amount spent for soil and moisture work on the watersheds has been negligible. Siltation problems in the irrigation projects are very often the result of the condition of lands in these watersheds.

The Halogeton program which was begun last fall has been well organized. It is proposed to continue this program on the scale that was begun in the current fiscal year.

Mr. KIRWAN. Before we begin the questioning we will insert in the record page 4 of the justification "Cash Receipts Covered into the Treasury, 1950 to 1953"; and the "Distribution of Receipts" on page 10.

Cash receipts covered into the Treasury, 1950–53

	Actual 1950	Actual 1951	Estimated 1952	Estimated 1953
Sales, public lands, and materials	$456,259	$518,979	$521,000	$523,000
Fees and commissions	397,860	374,112	377,000	380,000
Mineral Leasing Act	28,172,970	37,073,008	39,000,000	41,000,000
Other authorized acts (mineral)	942,695	1,379,999	1,500,000	1,600,000
Grazing, sec. 3	1,146,423	1,381,975	1,750,000	1,750,000
Grazing, sec. 15	383,391	301,417	350,000	400,000
Sales, Indian lands	1,533	9,302	1,000	1,000
Rights-of-way leases	95,730	59,387	60,000	60,000
O. & C. and Coos Bay timber sales	4,005,156	6,717,445	9,000,000	10,000,000
Other timber sales	364,666	1,060,554	1,250,000	1,500,000
Miscellaneous receipts	210,667	206,153	250,000	250,000
Total	36,177,350	49,082,331	54,059,000	57,464,000

Distribution of receipts to States and counties,[1] fiscal year 1951 (by States)

State or Territory	Sales of public lands and timber	Mineral leases and permits	Taylor grazing leases	Taylor grazing districts	Total
Alabama	$249.35	$329.19			$578.54
Alaska		2,568.75			2,568.75
Arkansas	2,060.51	45.00		$22.40	2,127.91
Arizona	1,203.50	31,872.08	$5,016.91	16,710.01	54,802.50
California	7,047.39	3,209,646.33	3,503.64	30,964.77	3,251,162.13
Colorado	2,060.86	1,900,657.45	9,096.44	7,809.35	1,919,624.10
Florida	469.82				469.82
Idaho	5,579.02	44,230.99	14,811.14	5,386.03	70,007.18
Illinois		22.50			22.50
Kansas	65.47	52,823.43		18.51	52,907.41
Louisiana	60.91	9,253.02			9,313.93
Michigan	136.07	1,202.04			1,338.11
Minnesota	124.18			4.27	128.45
Mississippi	171.87	1,095.38			1,267.25
Missouri	60.43				60.43
Montana	2,762.72	492,620.57	10,802.49	18,069.87	524,255.65
Nebraska	911.85	2,337.42		432.46	3,681.73
Nevada	173.13	245,969.14	26,830.12	262.44	273,234.83
New Mexico	655.22	2,360,486.97	18,822.46	4,738.14	2,384,702.79
North Dakota	308.51	47,198.72		837.51	48,344.74
Oklahoma	412.83	32,546.60		148.57	33,108.00
Oregon	22,033.27	3,354.72	12,047.00	5,394.77	[2] 3,240,006.41
South Dakota	302.25	22,076.76		3,532.56	25,961.57
Utah	1,610.46	580,468.83	19,609.09		601,688.38
Washington	9,614.61	1,015.75		6,028.66	16,659.02
Wisconsin	86.09				86.09
Wyoming	722.44	4,866,720.51	17,137.53	50,298.34	4,934,878.82
Total	58,882.76	[3] 13,908,542.15	137,676.82	150,708.66	17,452,987.04

[1] Before final settlement of all accounts by the General Accounting Office.
[2] Includes $3,197,176.65 on account of O. & C. and Coos Bay Lands.
[3] Does not include payments out of receipts from permits and leases on acquired lands.

RESULT OF DECENTRALIZATION

Mr. KIRWAN. According to your statement, it does not appear that the decentralization of your land office has helped much in keeping your applications current. Was this one of your objectives in decentralizing?

Mr. CLAWSON. Yes, sir. We now have twice the volume of applications and we have fewer employees than we had prior to decentralization but the work is in much better shape than it was previously. It is not yet in as good shape as we would like. A great deal is fully current and we hope to have the remainder fully current but we cannot predict positively when that will be because to a great extent it depends on applications filed by the public.

PURPOSE OF REORGANIZATION

Mr. KIRWAN. According to the justifications, you have done some reorganizing. Please tell us about this and what is expected to be accomplished.

Mr. CLAWSON. We thought we ought to give greater emphasis to the mineral activities of the Bureau, particularly since that is such a large revenue-producing activity and, secondly, the work relating to minerals formerly was in two divisions and has now been consolidated into one and called the Division of Minerals.

But other activities found in these two divisions have been consolidated into one other division called the Division of Lands. We abolished two divisions and combined them into two new divisions. That will put greater emphasis on mineral licenses and income, sir.

SALE OF TIMBER

Mr. KIRWAN. Will the estimates you have submitted enable you to sell the maximum sustained yield volume of timber from your lands?

Mr. CLAWSON. No sir. It will enable us to sell something in excess of half but nothing like three-quarters of the production of the timber of these lands. We will make substantial sales and some increased sales over the present but we will not be able to sell up to the full cut.

Mr. KIRWAN. If additional funds were made available for timber management, would it materially add to the income?

Mr. CLAWSON. In general, the timber management activities including timber sales produced from $3 to $5 in revenue for every dollar of appropriation and I believe if we had additional funds for timber management it would be perfectly possible to increase income in that general proportion.

Mr. KIRWAN. At this point, we will insert in the record the statement and table under the heading "Timber sales" on page 22 of the justification.

TIMBER SALES, O. AND C. LANDS

It is contemplated that a total of 525 million board feet of timber will be sold in fiscal year 1953. The timber should sell at an average price of approximately $22 per M board feet, bringing $11.5 million. Based on inventory data already in and data to be submitted, the allowable cut for fiscal year 1953 is calculated at approximately 600 million feet (excluding controverted lands). The critical demand for timber and a corollary obligation to do our full share in minimizing

overcutting on private timber lands prompts a cutting schedule as near to the anticipated allowable cut as appropriation will permit. Following are statistics for fiscal years 1949 through 1953 showing timber sold by volume and sales price:

Oregon and California grant lands	Volume sold (board feet)	Sales price
Fiscal year—		
1949	264,358,000	$2,919,408
1950	395,437,000	4,810,420
1951	415,833,000	9,002,183
1952 (estimate)	500,000,000	10,000,000
1953 (estimate)	525,000,000	11,500,000
OTHER PUBLIC LANDS		
Fiscal year—		
1949	61,166,000	$48,584,748
1950	50,849,000	396,453
1951	83,684,000	1,384,151
1952 (estimate)	120,000,000	1,930,000
1953 (estimate)	160,000,000	2,530,000

TIMBER LOST BY FIRES

Mr. KIRWAN. I am interested in the protection of our forests against fire. Can you give us a table showing the dollar value of the timber lost by fire for the last 5 years and the amount which we appropriated for protection and for reforestation in each of those years?

Mr. CLAWSON. We would be happy to do so, sir.

(The table referred to is as follows:)

Area burned, stumpage killed, and appropriations for fire protection and reforestation, 1948–51

	Forested area burned	Other area burned	Stumpage value lost	Appropriations		
				Fire prevention and contracts	Fire fighting	Reforestation
Fiscal year—	*Acres*	*Acres*				
1948	719,806	1,338,834	$3,850,654	$484,700	$129,685	----------
1949	44,956	124,766	1,596,114	589,000	89,802	----------
1950	12,903	164,570	4,450,784	690,300	355,240	----------
1951	590,293	1,602,250	7,103,409	785,250	249,581	$50,000
1952	(2)	(2)	(2)	953,940	[1] 420,000	80,000

[1] Estimated pending deficiency appropriation for emergency fire fighting.
[2] Not available.

Mr. CLAWSON. May I comment that 1951 was an extremely bad year for fires in which all the West, and particularly certain sections were affected. We lost, as the statement points out, large acreages. What it does not point out is that since this was drawn up, we have lost additional large amounts by storms and windthrows in unusual proportions—the sort of thing that happens once in 50 years. We have down between 300 and 400 million feet of timber lost that way. There have been large losses from a number of sources including bugs and diseases as well as fire.

Mr. KIRWAN. At this point we will insert in the record the table on page 27 of the justification.

(The table referred to is as follows:)

Area of public lands to be protected under contract in fiscal year 1953 and cost of protection

State	Forest Service	State and State protective associations	Total acres	Average rate per acre	Cost
	Acres	*Acres*			
Arkansas		125,000	125,000	0.032	$4,000
California	80,946	1,856,987	1,937,933	.134	260,250
Idaho	150,516	143,456	293,972	.134	40,578
Minnesota		92,853	92,853	.049	4,500
Montana	276,139	119,495	395,634	.041	16,616
Oregon	114,438	641,761	756,199	.081	61,235
Washington	92,645	271,231	363,876	.082	29,141
Total	714,684	3,250,783	3,965,467	[1].105	416,320
Direct expense					7,420
Total forest protection					423,740
Alaska, force account			110,000,000		224,260

[1] Average.

Oregon and California lands

Contracts	Acres	Rate	Amount
Oregon Forest Fire Association	1,837,992	$0.134	$246,291
Forest Service	305,606	.153	46,757
Total	2,143,598		293,048
Direct expense			15,452
Total forest protection			308,500

SOIL CONSERVATION

Mr. KIRWAN. With the soil conservation program you have submitted, how many years will it take you to treat all the areas most seriously in need of treatment?

Mr. CLAWSON. Something in the order of 100 years. I do not say precisely 100 but something in that order and possibly even longer because some of the areas are deteriorating in spite of our best efforts, although we are doing excellent work in stopping deterioration in other areas and leading to improvement.

SPREAD OF POISONOUS WEED

Mr. KIRWAN. Have you been able to stop the spread of poisonous weeds, or are they still spreading?

Mr. CLAWSON. They are still spreading. We have done excellent work with the funds we have had but it would be impossible, irrespective of the cost, to stop the spread of weeds in certain areas. Programs under way we think will stop their spreading in many areas, minimize their effects and will stop the livestock industry from suffering further harm. I would not like to have the committee believe that we can stop the spread of these poisonous weeds.

TIMBER SALVAGE

Mr. JACKSON. Mr. Clawson, how do you handle the timber salvage operations—to be specific, blow-downs, the damage due to forest fires. Do you call for competitive bids or how is that handled?

Mr. CLAWSON. Under the present regulations, the sale of up to 100 M feet could be made on a negotiated basis. Above that, sales are made on a negotiated basis only on the approval of the Secretary. But larger sales than 100 M feet are on a competitive bid basis. Sales on the public domain are limited to $1,000 on a noncompetitive basis and anything above that is on a competitive basis.

Mr. JACKSON. Can you get competitive bids on lumber damaged by blow-downs?

Mr. CLAWSON. Yes, sir.

Mr. JACKSON. Can they get in there with roads?

Mr. CLAWSON. We have this wind-blown timber—as much as 400 million feet. We estimate somewhere between 300 and 400 million feet. We also estimate that as much as 250 million is accessible by roads or roads that could be easily constructed.

Mr. JACKSON. You are moving right along on that program to dispose of the timber?

Mr. CLAWSON. Yes. But we want to point this out. The program developed in here and programs requested here were established on the basis of normal sales of live timber and while we can make some salvage sales and shift some of our program from grown timber to salvage, we cannot begin to handle all the salvage timber on the basis presented here.

Mr. JACKSON. The Forest Service has a similar problem on the area on the west side of the Olympia where there was a forest fire this summer. As I recall, the fire hit about 600 million feet of timber. The Forest Service is confronted with a similar problem in trying to dispose of that timber within the 2-year period. After 2 years the timber is apt to deteriorate so rapidly there will be heavy losses.

Mr. CLAWSON. It may be necessary to make some concessions on the sales.

Mr. JACKSON. You will be able to shift some from grown timber to the other?

CONCESSIONS IN SALES PRICE

Mr. CLAWSON. Yes. The timber sold in one area must be marketed and processed in a certain area to support those communities. In those large salvage operations one has to save it for sale in that area and then offer it for sale for processing. There will have to be some concessions in price. It will not bring as much when it has been fire killed.

COORDINATION OF FOREST SERVICE AND BUREAU OF LAND MANAGEMENT ACTIVITIES

Mr. JACKSON. I have been interested for some time in trying to find a way in which the activities of the Forest Service and the Bureau of Land Management in the States of Washington and Oregon may be more closely coordinated in regard to what is known as O. & C. lands. I am quite convinced in my own mind we can save money if we can avoid duplication in that particular field. I know some good work has been accomplished—fire protection work—on a joint basis. But I am wondering if it is not possible for both departments to pursue that a little further and see if you can work out some consolidated operation for it is quite apparent that we can save money in these timber re-

sources. It is certainly a bad situation where you have this checker board set-up; where you have Forest Service timber and O. & C. timber. Knowing you as I do, I know you are sympathetic to that objective.

Mr. CLAWSON. We have proposed to the Forest Service in some circumstances joint administration of areas. There are great difficulties in the way of doing that as you recognize. There is pending a bill, S. 539 I believe, by Senator Cordon. That bill would settle the question under whose jurisdiction approximately 460,000 acres in dispute will come. It is called the controverted lands. And second, the exchange of lands between the two agencies in this checker-board belt.

ADMINISTRATION OF O. AND C. LANDS BY ONE AGENCY

Mr. JACKSON. What would be the objection if one agency or the other should administer all these lands? I realize you would have to keep separate books because of separate lands in connection with the disposal of receipts. But when you sell O. and C. timber, it is not different from the timber across the creek that is being sold as Forest Service timber. I just wonder if in the management and sale of the timber we cannot have one operation.

Mr. CLAWSON. Well, it seems to me that such a question lies somewhat beyond the sphere in which we should ask a bureau to make decisions because that involves the major organization of the land management agencies and certainly there are recommendations for consolidating that management in one agency.

Mr. JACKSON. But even in those areas, if you had only one agency managing the timber resources——

Mr. CLAWSON. A new agency or a combination of the two?

Mr. JACKSON. Or should one agency or the other take it over—it is all timber and all involves fire protection. You have the basic requirements, fire protection and the management of the timber, involving the sale of timber lands. The Forest Service has facilities and the Bureau of Land Management has facilities to do that and they have to duplicate their steps. I am interested in a way of saving money that will result in better management. I am not critical of what you are doing. I believe you are very sincere in trying to do a good job. I have told you that before, personally, and for the record. I think you are doing a good job. I think a real effort should be made now to try to consolidate the functions of the Forest Service and the Bureau of Land Management, insofar as the timber resources are concerned in this area—I am not talking about an over-all national consolidation of the agencies.

We are dealing here with a specific situation not a generalization where I think that, on the face of it, we can bring about certain economies. To me it is unfortunate that due to historical develop ments over a period of years we have followed the principle of simply adopting the methods prescribed years ago because a part of these resources involved the public domain and, as such, reverted to the Department of the Interior. The thought has been to set aside a national forest all in the same area.

If the railroad had not given up its operation, we would not have O. and C. lands. It would all be owned by the railroad and would have been out of this picture.

CONSOLIDATION OF O. AND C. LANDS WITH NATIONAL FOREST

Mr. CLAWSON. Let me point out to you, Congressman, as I am sure I can. Twice in the history of O. and C. lands proposals were made to the Congress in 1916 and 1937 specifically that these lands be given to the national forest and be made part of the national forest system. Both times these proposals were rejected.

What I am trying to say is, we are trying to administer them within the framework of law and policy given to us. But first of all, parts of the areas are checker-boarded between O. and C. and national forest. But part of O. and C. lands are entirely outside.

The second point is that though we have never made a study of national forest operations, we are convinced that our costs of operations are very substantially below theirs and by that I mean not in excess of 40 percent of their costs. Consolidation of operations might well result in considerably higher costs. Some aspects of operation would be simpler if you had solid blocks than if you had checker-board areas.

But on the other hand, different methods of operation are followed by the two agencies and it is not as simple a question as to which one marks the trees and sells them. There are considerably different practices and we feel that ours is the best way to do it or we would have improved it. Perhaps they feel the same and it seems to me that it is the sort of an issue not to be settled by the individual agency.

INQUIRY INTO CONSOLIDATION

Mr. JACKSON. Where the Forest Service costs are higher or the Bureau of Land Management is less, or vice versa, it would seem to me as a layman that this is one area where we can have an effective consolidation and we ought to arrive at the lowest economic methods of administration. I would assume that we ought to be able to get some impartial information on this subject and find out what kind of an organization could be set up to avoid that duplication. That is the sort of thing I am interested in and I just do not see how we can continue to go along indefinitely with this sort of operation.

Mr. CLAWSON. We would certainly welcome such an inquiry. I want to point out that our administration costs have been too low, in the sense that it has not permitted us to do as comprehensive a job as is in the public interest. But I would say that any reorganization or change is something that I do not see how we, as one bureau, will undertake.

Mr. JACKSON. But you are aware of the problem here?

Mr. CLAWSON. Certainly.

Mr. JACKSON. And the necessity of trying to work out a more efficient management in the aggregate?

Mr. CLAWSON. And we have consistently supported Senator Cordon's bill and would like to see it passed.

Mr. JACKSON. It is only the Forest Service that has objected to it?

Mr. CLAWSON. The first part of it; and probably the second part as well.

Mr. JACKSON. One other question, Mr. Chairman.

NEW CHEMICAL TO PREVENT SOIL EROSION

I have read with some interest the last few weeks that new developments in the field of soil conservation have appeared. It is my understanding that some sort of chemical process has been developed whereby the loose soil is spread with this particular chemical which will develop a crust preventing the soil from blowing away. I believe two or three different companies have done some work in this field. I am not familiar with their names.

Mr. CLAWSON. By sheer coincidence some of our men attended a conference this morning with the Monsanto Chemical Co. and they have put out publications. It is a chemical called Krilium. It seems to be fantastic in its operation in regard to water penetration and reduction of erosion. It is experimental. It costs about $400 per acre for chemicals alone, not including the cost of operation.

As of now, that is the situation. That is not to say that some day the cost might come down to a small fraction of that amount.

Mr. JACKSON. Is that statement of costs based on line production?

Mr. CLAWSON. It is based on some commercial basis. I believe they are manufacturing about 800,000 pounds a year. It is laboratory work. They are only using it on an experimental basis. It is not for sale. We propose to conduct some experiments out in the arid and semiarid areas and they talk about carrying on some experiments to test it under these conditions. So, while it has enormous possibilities, it is scarcely a practical thing as yet for actual operations.

Mr. JACKSON. I was intrigued by the announcement and it seems to me that in time we might find an answer. The question of cost is always a difficult one.

Mr. CLAWSON. Some of the ablest men in this field feel it is a sensational discovery.

Mr. NORRELL. Mr. Chairman, I have been late getting to the committee which I could not help, and I am going to cut short my interrogation. Mr. Clawson, I would like about three things of your department.

TIMBER SALES—INCOME AND DISBURSEMENT

If you will supply me with a table showing the total income from the timber sales and then showing a disbursement of that amount. We had an argument last year on the floor of the House about this and you know I have been very friendly to your department. But I want to know about the total amount of money that you receive from the sale of timber. Then what you do with it. You do not need to make a long statement on it.

Mr. CLAWSON. I assume you mean how it is distributed to the counties and States?

Mr. NORRELL. According to the acts of Congress. You can put in what act of Congress it is and you disposed of so much under that, and the next one the same way.

Mr. CLAWSON. May I add in that connection that our gross income from timber sales from this O. and C. lands—we expect this year we will collect about $9 million from these lands. Under the present law, 75 percent will be paid to the counties.

Mr. NORRELL. You need not go into that at this time.

Mr. CLAWSON. All I wanted to add was there is pending in both the House and the Senate, bills that would change that percentage, and it is our hope that Congress will act upon both those bills.

Mr. NORRELL. All right. Now, will you give me a table of the income and disbursals. Then I would like you to add to that table a statement about what would be the correct charge to make to that branch of your activity for your administration. In other words, you have an administration set-up and some of it would necessarily be rightly charged to this activity of your department. I would like to know how much that is.

Mr. CLAWSON. Surely. How far back do you want to go? How many years?

Mr. NORRELL. The last whole fiscal year you can cover I assume would be the last fiscal year.

(The table referred to is as follows:)

Distribution of receipts from timber sales fiscal year 1951

Receipts:	
O. and C. lands	$6,717,445
Other public lands	1,060,554
Total	7,777,999
Distribution:	
Payments to States and counties from:	
O. and C. receipts	3,197,177
Other public land receipts	38,555
Total	3,235,732
Balance covered into the Treasury	4,542,267
Amount to the Treasury: Of this amount $1,005,646.22 will be transferred to the reclamation fund and will be available to the Bureau of Reclamation when appropriated by Congress.	
Expenses:	
Appropriated for forestry	1,542,000
Appropriated for access roads	700,000
Share of general administration	248,937
Total	2,490,937

TAYLOR GRAZING ACT

Mr. NORRELL. Now, the Taylor Grazing Act. Has that been self-sustaining under the new set-up?

Mr. CLAWSON. Yes. The increased revenues have fully offset the increased appropriations.

Mr. NORRELL. Including administrative costs?

Mr. CLAWSON. And we are asking for a slight increase for next year due to the fact that one additional grazing district has been added. That will provide in turn additional revenue so we think it will be the same balance that there has been.

Mr. NORRELL. With no additional personnel?

Mr. CLAWSON. Yes. Three people. It is just as if we had formed a new soil-conservation district. We form a new division and provide new land under it.

Mr. NORRELL. Mr. Chairman, I want to yield now to the other members.

EMPLOYMENT IN 1952

Mr. JENSEN. Mr. Clawson, how many people did you have on your payroll as of July 1, 1951?

Mr. FALCK. 1,033.

Mr. JENSEN. That was July 1, 1951?

Mr. FALCK. Yes.

Mr. JENSEN. What was the number you requested in your budget for 1952?

Mr. FALCK. 1,251.

Mr. JENSEN. What were you allowed by the Congress for 1952?

Mr. FALCK. For 1952. What we were allowed was 1,251, of which 541 were exempt positions, and then we were supposed to take a 10-percent cut on the other 710. You will remember when the bill came out, a certain part of that bill was exempted from restrictions in the bill. On another bill we took a 10-percent money cut and that was also applied under these provisions. So, it was 541 exempt and 710 nonexempt.

Mr. JENSEN. What happened to your personnel in the month to follow.

Mr. FALCK. In the months to follow to the present time I have some figures between Washington and the field. As against 710 our total is only 613. That is in the nonexempt group.

Mr. CLAWSON. Which is more than a 10-percent cut.

I might explain that part of this nonexemption we were granted on the supplementals, and they are not all filled yet.

EMPLOYMENT REQUESTED IN 1953

Mr. JENSEN. How many are you asking for in this bill for 1953?

Mr. CLAWSON. The total is 1,228. That is on this appropriation we are discussing. There are a few odd ones in other appropriations.

Mr. JENSEN. I want the total.

Mr. CLAWSON. Eighty-five more.

Mr. JENSEN. That is 85 in addition to the 1,228.

Mr. CLAWSON. 1,313.

Mr. JENSEN. Which is 62 more employees than your request last year?

Mr. CLAWSON. Yes.

Mr. JENSEN. Where do you propose to use them?

Please furnish this for the record. And also furnish for the record the exact figures which I have requested here. The number that were on the payroll as of July 1, 1951; the budget request for fiscal 1952 for the number of personnel; the number reduced during 1952 by dollar reduction and also by the Jensen amendment.

Mr. FALCK. We figure this as of December 31?

Mr. JENSEN. Yes. Will you give the latest figure you have. I presume that is the latest. And such other information as you think may help us to get a true picture of your administrative personnel.

(The information requested is as follows:)

Analysis of permanent positions

Appropriation	Number on payroll July 1, 1951	Number on payroll Dec. 31, 1951	Number requested in 1952 budget	Number requested in 1953 budget
Management of lands and resources	975		1,115	
Supplemental for halogeton			66	
Total	975	1,028	1,181	1,228
Construction		5	11	[1] 10
Range improvements	15	16	26	22
Missouri River Basin	41	37	30	51
Blister rust control	2	3	3	2
Total	1,033	1,089	1,251	1,313

[1] Plus 10 for Bureau of Public Roads.

Allocation of new positions under "Management of lands and resources"

Activity:	Number
Mineral resources	11
Land use	11
Grazing	3
Forestry	12
Soil and moisture	7
Administration	3
Total	47
Separations due to Ferguson amendment	5
Vacancies unfilled because of dollar limitation	19
Vacancies temporarily unfilled pending departmental determination of ceiling for Bureau under Jensen amendment	14

CONTROL OF HALOGETON WEED

Mr. JENSEN. As I remember, the Congress appropriated $2,000,000 in a supplemental estimate for the control of halogeton plant?

Mr. CLAWSON. That is correct.

Mr. JENSEN. Can you tell us in as few words as you can, for this is a very important thing, of the high lights, as to just how many acres you have been working on to kill this poisonous weed and how many acres you estimate are infected by it—the halogeton weed. Tell us if you feel that it is being effective and if there is anything else you think we should do—that this Congress can do to help you stop that terrible infection of the land.

Mr. CLAWSON. Let me present a very few high lights to you as requested.

There is, according to our present estimate, about 1½ million acres actually infested with it, of which two-thirds is Government land under the jurisdiction of the Bureau of Land Management.

Mr. JENSEN. Tell us how it got started.

Mr. CLAWSON. No one fully knows, Congressman. It is thought a native of the southeastern Russia area, the same as tumble weed and thistle. It must have come from that area. It was first noted in 1935. But how it got here, where it came in, whether in weed seeds or alfalfa shipments, no one knows or ever will know.

Mr. JENSEN. How can it be easily recognized? It is likely to spread all over and may get as far as my State of Iowa. I am directly concerned for that reason as well as the interest of the whole Nation.

It can play havoc with the land of the whole Nation if we cannot head it off.

Mr. CLAWSON. I am not too expert. It is like Russian thistle. Each little leaf has a sharp spine at the end. What we have done is to prepare exhibits of it either in tight boxes or to put the seed in plastic bags. We, and the agricultural colleges, have prepared this description of it to put in the hands of our young men and other people so we can report on it immediately it is seen.

Mr. JENSEN. Have you brought this to the attention of each State agricultural secretary's office? And in turn have you insisted that they bring this thing to the attention of each county office?

Mr. CLAWSON. During the agricultural extension surveys a great deal has been done. The agricultural colleges of Idaho, Utah, and Nevada have published excellent material and we have a map here showing what we now believe to be the outermost limits of its infestation. We are particularly concerned with its possibility of moving into the Southwest—Arizona and New Mexico—and it may get established in districts where present control methods would be ineffective.

Mr. JENSEN. Isn't it a fact that you find much of it on the highways?

SPREAD OF THE WEED

Mr. CLAWSON. It has been spread much along the highways.

Mr. JENSEN. That being the case it can be carried to every State in the Union.

Mr. CLAWSON. Along highways and railroads of the Union it spreads in seeds of livestock trucks. An educational campaign has been initiated. Some of the State highway department trucks may have brought it. They scrape the highways and seeds get onto their trucks. I think they have in most instances taken precautions to prevent spreading and a great deal has been done and can be done along highways to spray it to keep it down. When it infests large range areas the only method we know of is to reseed with good grass and it can be successfully reseeded and we will get a hundred thousand acres or more reseeded, primarily with crested wheat. In areas of 10 to 15 inches of rainfall the halogeton gets smothered out entirely or reduced to the point where the few plants left are not sufficient to poison or affect the animals.

CONTROL BY RESEEDING

The chairman asked earlier if we were controlling this spread of the weed. In the most desert areas where we cannot replace it with adapted grass and there I frankly do not know the answer. Some areas will have to be abandoned for livestock protection. These areas where we reseed are, where it has been established they produce several times more than they yielded originally. As the reseeding program goes along you will have some new forage and it would be possible to abandon the use of affected areas for years without reducing the livestock.

Mr. JENSEN. Will crested wheat grow in any area in the United States?

Mr. CLAWSON. It has wide adaptability but not that wide. In the first place we are not quite sure of how alkaline soils it will grow on.

We had one instance where we thought it was a failure and it later came up on an alkaline soil. But how tolerant it is on these alkaline soils we don't know. It will not grow with success below 8 inches of rainfall or, perhaps, 10. It won't grow in the Southwest either. We have a few plantings in New Mexico and north Arizona. Generally, its habitat is farther north.

Mr. JENSEN. Will crested wheat grow in places halogeton will grow?

Mr. CLAWSON. No; I do not think so in all places. Mr. Pierson is a better expert than I but I think in the Southwest and other areas including this whole rainfall area under 8 inches where crested wheat will either not grow at all, and if it does grow, it is so sparse that it is not economy to seed it.

Mr. JENSEN. Have you any other smother crop to take the place of crested wheat?

Mr. CLAWSON. No, sir. We do not.

REMOVAL OF LIVESTOCK FROM INFESTED AREAS

Mr. PIERSON. The best solution seems to be to develop forage through conservation practices and take the livestock off infested areas for 5 or 10 years. We already have an instance of several sheepmen forced out of business and the range has been abandoned since 1945. In the last couple of years there has been a marked recovery of native forage in that area and, as a consequence, the smaller amount of halogeton is scattered throughout those p ants. We feel a few more years in those areas and the volume of halogeton will be light. There will be sufficiently good feed to prevent the animals taking halogeton in quantity to have any serious effect.

Mr. JENSEN. How much can an animal stand?

Mr. PIERSON. Under present tests 1½ pounds is enough to kill a sheep. It depends on the condition of the animal. If they get out in a storm and eat only half a dozen plants of it they will be dead in a few hours. If well-fed and have a normal calcium content in the blood they can take more and will not die.

EXTENT OF LOSSES

Mr. JENSEN. It has wiped out whole areas of sheep.

Mr. PIERSON. We have had large losses in Idaho and Nevada.

Mr. JENSEN. How large?

Mr. PIERSON. The largest we have on record is 1,200 head of sheep near Alamo, Idaho, and 600 head in a few hours near Battle Mountain, Nev., and quite a number of losses this year have been 50 to 125. Cattle losses have been smaller in number but more expensive. Five or ten head of cattle are quite an investment.

Mr. JENSEN. How many acres do you say are infested?

Mr. CLAWSON. One and a half million are estimated and nearly nine hundred thousand is on lands in our jurisdiction.

Mr. JENSEN. And the other on private lands.

COOPERATION OF PRIVATE LANDOWNERS AND OTHERS

Are the owners of private lands cooperating with you in this?

Mr. CLAWSON. Yes. I thought someone might raise a question and we have made some estimate, or attempted to make an estimate, of the amount of contributions they have made in this. It is not known what private owners have done on their own land but we anticipate during the fiscal year a contribution to the halogeton control program of $352,000 by universities doing research work, by highway departments in control along the highways and the railroad companies have done well, and the Army is in the halogeton-control business. One of their bases in northern Nevada was in one of the control areas because it was a seed bed and the Army went in there.

The bulk of it is coming from private operators and, frankly, we have encouraged them to the limit to participate in the reseeding program because if this reseeding is successful and we are trying to limit it to those areas where it will be successful, they will benefit in terms of better forage conditions immediately.

The livestock industry has been generally fairly prosperous in the last few years and the ranchers are in a financial position where they can and have made contributions to the Federal program. In addition a lot of work is being done by county weed control districts and by private owners. There is a real awareness everywhere of the seriousness of it.

CONTROL GROUP IN EACH STATE

There either was in existence in each State, or we were instrumental in having in each State a central halogeton weed-control group representing all the State groups. The railroads were willing to cooperate on a program on their rights-of-way; they came in to plan the control and the programs of other agencies so there has been a full exchange of information and a full cooperative attack on it.

I really feel the whole thing has been very well coordinated.

EDUCATIONAL MEASURES IN CONTROL OF HALOGETEN

Mr. JENSEN. Where you have this halogeten plant already in existence they are aware of its destructive possibilities. But you have this whole Nation. I am afraid that we have not warned enough farmers all over this Nation of this terrible destructive thing, and how to eradicate it when they see it so they can kill it off in the spring of the year.

Mr. CLAWSON. What you are saying was certainly true a year or more ago. But now there is becoming a very great awareness of it. In the fall of 1950 the newspapers in the West in every main town—Billings, Denver, Albuquerque and all those big cities, they all ran stories. Some of them a great many— livestock journals, too. We have done a lot. We have made specimens available and all that sort of thing.

For instance, an infestation in northern Wyoming and into Montana was discovered. We are not sure how that got there; from where it started. Perhaps it was introduced independently. It has not spread too widely.

This summer a spot was discovered in Idaho—150 miles further north than any other infestation and an infestation in Utah. There is undoubtedly an increasing awareness of the problem that led to these discoveries, particularly in this particular individual case while it is quite small.

Mr. JENSEN. Did you jump right on to these spots?

Mr. CLAWSON. We are moving on to them.

Mr. JENSEN. It could spread in a few years to cover the whole State.

Mr. CLAWSON. I do not want to be too optimistic about the possibilities of stamping out the weed. It is an extremely prolific producer of seed. The seed will lie in ground 3 years without germinating. If you killed every plant that came up there would still be plants coming up in 3 years and if you miss only one plant you have a new seed source in it.

The serious area could be in the country of Arizona and New Mexico. We are of the opinion it is not now found down there, we agree in general reseeding as a method of approach but because of climatic conditions and the requirements of crested wheat there are areas there where we cannot possibly stamp it out.

Mr. JENSEN. You drill it in with a drill seeder?

Mr. CLAWSON. Yes.

USE OF FUNDS FOR CONTROL IN 1953

Mr. JENSEN. How much money are you asking for 1953 for this?

Mr. CLAWSON. The request for 1953 is less than the amount made available in 1952. It will be remembered that a considerable part of the 1952 appropriation was spent for purchase of equipment, although we do as much of this by contract as we can. Yet, we have to have some specialized equipment. But having bought the equipment in 1952 we do not have to buy it in 1953.

Mr. JENSEN. You have not got enough machinery to take care of 1,500,000 acres?

Mr. CLAWSON. The amount available in 1952 and the amount requested in 1953, while a larger attack than ever, is not too much.

Mr. JENSEN. How many outfits do you have?

Mr. PIERSON. Nineteen reseeding contracts in force at the present time and about 14 tractors for force account use we can put on this work. We have on order 15 spray rigs to deal with the perimeter of this big infestation, especially on the rights-of-way. This will stop them from producing any more seed and if we can confine the infestation to that red bounded area it will be well.

Mr. JENSEN. What kind of sprayer?

Mr. PIERSON. 2, 4-D sprays. It is a synthetic hormone growth substance.

Mr. JENSEN. What is the common name?

Mr. PIERSON. That is the common name, the trade name. It is also sold in small quantities for lawns as Weedone and other trade names. Several commercial firms that use it call it 2, 4-D.

Mr. JENSEN. Can that be bought in any drug store?

Mr. PIERSON. All over the country.

Mr. JENSEN. In small quantities.

Mr. PIERSON. Yes, in 50-cent bottles. It is prepared in several different chemical forms and there are one or two of the so-called heavy ester salts of 2–4–D which have proved to be most effective in killing halogeton. It is also susceptible to oil sprays but 2–4–D is the common chemical in use.

EFFECT OF BURNING

Mr. JENSEN. How about burning?

Mr. PIERSON. There is one thing about this plant, on a dry-weight basis it contains 18–20 percent of sodium and potassium salts of oxalic acid, an effective fire depressant. It is virtually impossible to burn out. We did get two propane guns last fall that develop temperatures of around 3,000 degrees which will melt them into the ground and destroy the seeds on the surface as well. The ordinary oil weed burner does not develop enough heat to melt them down. You can pull up a plant in bloom, put it in the car trunk and a few weeks later you will find a mature crop of seed produced just from the moisture in the plant.

Mr. JENSEN. That would be a very fine thing to sabotage your enemy with.

Mr. PIERSON. And it would be a very wonderful conservation plant, if it were not toxic.

SUFFICIENCY OF APPROPRIATION REQUESTS

Mr. JENSEN. Yes. Well, it is just one of those things we must do something about. We have to try to kill it or it will get us. Do you think you have enough money in this bill to combat it with this year or do you think you should have more.

Mr. CLAWSON. Well——

Mr. JENSEN. Could you use more to advantage?

Mr. CLAWSON. Yes. Let me say quite frankly to the committee, when we came up with a $2,000,000 estimate as a supplemental, we thought that was the maximum program we could handle in the first year. If you had told us when we came up that we would not get the money until the 1st of November, I do not believe we would have asked you for the $2,000,000.

As a matter of fact we could have efficiently used $3,000,000 this year instead of $2,000,000. After we submitted the supplementary last spring and you gave it favorable consideration, we got very busy and laid out contract jobs and put out invitations to bid so that the minute the final appropriation was signed by the President we could authorize the contracts to go forward and we feel we did a remarkably fine job of organization.

Our men not only did it for $2,000,000 but we could have handled $3,000,000 this year and certainly we could work on a much larger program.

Mr. JENSEN. How much did you ask for 1953?

Mr. CLAWSON. It appears to be less, $1,345,000.

Mr. JENSEN. What did you ask for? You asked for more than that?

Mr. CLAWSON. The request that came to Congress was for $2,000,000 and the request approved was $2,000,000.

Mr. JENSEN. I mean next year, 1953.

Mr. CLAWSON. Well, you mean what did we ask the Bureau of the Budget for?

Mr. JENSEN. The reason I am asking, gentlemen, is you have a terrible enemy to fight and we have to help you fight it. You estimated the amount of money you thought you should have this year to fight this terrible thing. I think we could be very, very penny-wise and pound foolish if we do not go after this thing hammer and tongs.

Mr. CLAWSON. Certainly, the program could be expanded effectively.

Mr. JENSEN. Now, you ask for how much?

Mr. CLAWSON. After we got the ceiling figure from the Bureau of the Budget we asked for $1,650,000 but I am quite sure in asking for the original ceiling we asked for a larger amount than that.

Mr. JENSEN. You would like to have $1,700,000?

Mr. CLAWSON. We can most certainly use that effectively.

Mr. JENSEN. If we do not do the job this year we may have a job 10 times that in years to come.

Mr. CLAWSON. When the supplemental was up we said there was no sense whatever in beginning this program unless we were prepared to continue it and on an active scale and our budget request is the minimum that ought to be considered if we are to try to control this situation. A small amount would be wasted.

NEED FOR PUBLICITY

Mr. JENSEN. In the meantime I hope you will give this thing the publicity it should have so that every farmer in the country will know this weed when he sees it and will know how to combat it and stop if from spreading all over this country. Maybe one weed grown this year would make thousands next year. You say it is chuck-full of seed? How many seeds can come from one plant?

Mr. CLAWSON. Thousands.

Mr. PIERSON. I would say millions. The whole plant literally turns into seed.

Mr. CLAWSON. One of these outlying dots represents an infestation at the crossroads of two dirt roads. Our hypothesis is that someone used a truck of livestock, unloaded that livestock and at that point swept out the plant. That was a jump of 100 miles from the loading point and there may not have been many seeds that he swept out but that was the means of spreading it in leapfrog fashion.

These are places where, if it is not detected early, it can spread over many areas.

Mr. JENSEN. When it is started it can smother another group.

AREA OF INVASION

Mr. CLAWSON. No. It invades primarily the areas where the native vegetation has been depleted. For instance, if you have a burn you may have a solid mass of halogeten where in the surrounding area you may have very little.

A reason why it produces along highways is because by excavation the surface has been disturbed and the native vegetation killed, resulting in many instances in infesting stands of vegetation. But its

real spread is where the native vegetation has been killed and when you reseed this other plant chokes it out.

It is Johnny-on-the-spot where there is no vegetation.

Mr. JENSEN. It is a terrible thing to get started. If we can stop it now we can do a lot. You have proven that all right.

Are you pretty satisfied with the success you have had where you have sown crested wheat?

Mr. CLAWSON. Yes, sir. We have had some very, very dramatic success. It is astounding what you can do. Sometimes you have failures but you have that with any group. I am sorry to have taken so much time.

SOIL CONSERVATION

Mr. JENSEN. How much money do you have in this bill for soil conservation?

Mr. CLAWSON. $1,700,000, an increase of $550,000.

Mr. JENSEN. And how many acres of public land do you operate under the Bureau of Land Management?

Mr. CLAWSON. Approximately 180,000,000 acres.

Mr. JENSEN. It still makes a very thin spread.

Mr. CLAWSON. It is still a very low level program but percentage-wise it is a good increase from the present year and we would like to have the committee think of it as the beginning step in an expanded soil and moisture program and from that point of view I do not think it is a bad increase for one year.

Mr. JENSEN. In conclusion, I want to say that I have such a high regard for you, Mr. Clawson, and your personnel, knowing the good work you have done since you have been on the job, that I feel you will make every dollar that we appropriate count in the Bureau of Land Management. That is why I do not hesitate at all to give you the money that you are asking for this halogeten plant and for soil conservation and several other things. That is not saying, however, that I would not refuse some of the items which do not affect efficiency in my estimation.

Mr. CLAWSON. Thank you very much, Congressman. We certainly make the very best effort we can to get the full value out of every dollar.

CONSTRUCTION

Mr. CLAWSON. We have for the current fiscal year an appropriation of $700,000 for access roads in the O. and C. timber area. The request for 1953 is for the same amount, $700,000, and it will be, first, to build access roads in the presently inaccessible areas and open up additional stands of timber for sale and increasing volume of timber that can be sold and in the long run the production off these lands.

Mr. KIRWAN. What did we grant you last year?

Mr. CLAWSON. $700,000.

REVENUE FROM TIMBER SALES

Mr. KIRWAN. What did the Federal Government get out of the sale of timber last year? Did you say?

Mr. CLAWSON. We expect this year it will run $9,000,000. Last year it was about $6,700,000.

Mr. KIRWAN. What did the Federal Government get out of it?

Mr. CLAWSON. One quarter of it.

Mr. KIRWAN. About a million and a quarter?

Mr. CLAWSON. It would be a little more than that—about $1,600,000. The appropriation so far for administration and roads has been less than the 25 percent. Now, as I mentioned earlier there are bills pending which would change this arrangement and bills that are pending introduced by the Oregon delegation would change it to 50 percent instead of 25 percent and the Department of the Interior's position is that all of the money appropriated for roads, administration, and fire control and what not should be returned to the Treasury first and then make a split.

Mr. JENSEN. I agree with the Department.

Mr. CLAWSON. We think it is a very sensible and defensible position. That would insure that any moneys appropriated would be returned first and then we propose that the counties get 50 percent of the remainder and the Federal Treasury 50 percent. With the present timber prices and particularly if the scope of this program can be expanded somewhat we think we can see where a net of $5,000,000 a year could be turned into the Treasury.

Mr. KIRWAN. It could if these laws are passed. The Federal Government could get back all the amounts it puts in there, but you don't get it back.

Mr. CLAWSON. We have not lost anything so far but we need them.

Mr. KIRWAN. We are not getting the cut the others are getting.

Mr. CLAWSON. We propose putting it back and then split 50–50.

EXPENDITURE OF RECEIPTS

Mr. NORRELL. The chairman had in mind exactly what I had in mind awhile ago. The hearings on this item have simply not been complete heretofore. The American people are entitled to know, not only the amount of money they get from the sale of their timber but they are entitled to know how that money is expended or who gets it. Then they are entitled to know whether or not they are having to subsidize the operation through the construction of roads and trails, administrative costs, and other miscellaneous items. I want a real good breakdown on that to show a layman like myself exactly what we are doing. If we can get the matter on a sustaining basis so the timber sales can equal the cost of operation, I will not complain. But I do not want the other people in the country to subsidize what is going on out there.

Mr. CLAWSON. In addition to this O. and C. timber sales last year we made annual sales in excess of $1,000,000 off the public domain lands. Of that money, 5 percent is paid to the State; 95 percent goes into the so-called reclamation fund. It is not actually spent in reclamation of this property.

Mr. NORRELL. What I am trying to get at is an honest, truthful statement of your income from this item and then where that money goes.

Mr. CLAWSON. Yes.

Mr. NORRELL. Whether it actually comes into the Treasury or where does it go? Who gets it and under what law do we operate? It sounds big to say the Government has millions of dollars going in

there from the sales of timber. But we all know the truth is that possibly, in years gone by at any rate, very little, if any, of the money, went into the Treasury and very possibly Uncle Sam did not break even on the program.

Mr. JENSEN. Off the record.

(Discussion off the record.)

NEED FOR ACCESS ROADS

Mr. JACKSON. Mr. Chairman, I think this committee is in general agreement that it is certainly unfair to ask the Federal Government to appropriate large sums of money for access roads and not get any of that money back.

I went into detail on that in the last hearings and the previous hearings. I am in sympathy with Mr. Clawson's position and I think it is a fair one. The principle of building access roads is a sound one. I do not think that just because the Forest Service has found it very effective in making it possible to get competitive bids. The cost of building a road in the area is added to the price of the timber so they will not sell the timber less than the price value plus the cost of building the road.

By building a road into the area it makes it possible for the small logging companies to compete with the big ones and if anyone believes in preserving private enterprise, here is the most effective way to preserve the small logging operators and the small lumber-mill operators.

It is a program in the public interest because there will be a greater return to the Federal Treasury and at the same time it helps to preserve competition which is very important.

I would like to say I am in accord with your objective in insisting that the cost of road construction shall come out of the receipts first. I think that is a reasonable request.

Secondly, I think the policy is a sound one of building access roads. I do hope that we will get some legislation through. This matter has been stalled a long time. I think they must either fish or cut bait.

RECOVERY OF ROAD COSTS

Mr. CLAWSON. May I make one—almost a correction of what you said. We do get back the cost of the roads, as you pointed out. The appraisals are up and you get back the cost of the roads, if you pay out three quarters to the counties.

Mr. JACKSON. It must be appropriated by Congress.

Mr. CLAWSON. Yes. And so far as the appropriation for management and road building are concerned, they have been fully covered by the one-fourth. The Federal Treasury on the O. and C. has not been out any money since the act was passed.

Mr. NORRELL. That is a broad statement and might be subject to argument. Frankly, I am not convinced of it.

Mr. CLAWSON. We have just been preparing an extensive analysis of these figures preparatory for this legislation.

Mr. NORRELL. Why is it you did not put it in here. You have a fine statement here about your receipts, page BLM–4, which we have put in the record. That is a grand statement showing your receipts.

Why don't we have another item or line of figures showing where that money has gone. When I see that, I say, "Well, here is the whole actual money of 1950, $36,177,350." I assume that is going into the Treasury of the United States. And for 1951 it is $49,082,331 Estimated for 1952 $54 million and for 1953 $57 million plus.

I say that is grand but when I look around to see where that money goes—States, counties—then I try to find out what part Uncle Sam has left, I cannot do it.

Mr. CLAWSON. We will be happy to give you the statement. There is no intention to conceal the facts.

Mr. NORRELL. I know that. But the statement is not quite complete without the other angle of it.

Mr. KIRWAN. Mr. Clawson, you made a good presentation for your Department. We are glad to have had you with us.

WEDNESDAY, JANUARY 16, 1952.

BUREAU OF INDIAN AFFAIRS

WITNESSES

DILLON S. MYER, COMMISSIONER
JOHN H. PROVINSE, ASSISTANT COMMISSIONER
EVAN FLORY, CHIEF, SOIL AND MOISTURE CONSERVATION BRANCH
OTIS BEASLEY, DIRECTOR, DIVISION OF BUDGET AND FINANCE

Mr. KIRWAN. We will now take up the budget for the Bureau of Indian Affairs.

Mr. Myer, if you have a general statement we will be glad to hear it at this time.

GENERAL STATEMENT

Mr. MYER. I have a brief statement I would like to make before we go into the individual items.

I would like to tell you very briefly about our general position and our point of view as to what we should be doing or where we think we should be going.

ENCOURAGING INDEPENDENCE OF INDIANS

First of all, we believe we should continue the program we have started of trying to work out plans with individual tribes, or groups of Indians, looking to the independence of Indians in regard to their economic matters.

We have made some progress on that which I will mention later. I have said to a number of groups of Indians recently, where the question as to our responsibility has been raised that we are perfectly willing, if they are ready to remove the trusteeship entirely to go with them to the Secretary and come to the Congress and request that the whole responsibility that we have be lifted.

Secondly, if they request a portion of the trusteeship to be lifted without having it all eliminated, we would like the opportunity to sit down with them and to program and consider what the interrelation-

ships are with that, the welfare services and the other services to be provided, and if we work out a program that we can agree upon then we would be glad to make recommendations on part of it as far as legislative action is concerned.

Thirdly, we are ready at any time, and we are doing it with some of the tribes, to sit down and see whether some of the responsibilities we now have can be delegated to them under a memorandum of agreement so that they can learn by doing and increase their tribal responsibilities.

RESPONSIBILITY OF BUREAU

We think we have a responsibility for carrying forward the effective development and conservation of resources, looking to the time when we will withdraw our services.

We are particularly interested in the review and transfer of those social and governmental functions which other agencies usually handle such as schools, health, law and order, and roads, and we transfer those responsibilities wherever it is possible to do so and where it can be done as cheaply and effectively as we are now doing it.

We believe we should have an effective training, placement, and relocation program for those younger Indians in particular who wish that kind of aid, in order to alleviate the poverty through the reduction of population in over-populated areas and add to our manpower needs in other areas in a more effective manner.

PROGRESS MADE

I would like to mention briefly the progress we feel has been made in the past several months.

Last year, as you will remember, the investigators of your committee made a number of recommendations which we have gone into and we think we have made good progress on administrative matters and other matters in line with those recommendations. I will not touch all of them now, but I would like to mention three or four.

ADMINISTRATIVE PROCEDURES

First of all, there was some criticism of our administrative procedures, the fact that objectives were not thoroughly stated in all cases. We have attacked this problem by having a thorough review of all of our procedures. We have reduced them to written procedures in manual form.

We have developed 148 chapters of which 86 have been distributed and 53 of the remaining chapters have been drafted to date.

In this connection I think the responsibilities, the objectives, the jobs to be done are very clearly set forth.

We have reviewed the delegations and we have added new delegations to the area and the agency offices and we have expanded some of the delegations that are already in existence.

We completed a review and revision of our reporting system. We are in the process of making a complete review of the whole property-management program, which was mentioned a number of times. We are well along with that review.

PROGRESS IN GRANTING INDEPENDENCE

In regard to program progress generally, I mentioned last year, I believe, that the Grand Ronde Siletz Indians of western Oregon and the California Indians generally were agreed we should get out of business as fast as we could get ahead.

We have made progress since our hearing in general in that way.

We have disposed of a great deal of land as agreed upon with the Indians in both the Grand Ronde Siletz country and in California already.

We felt we needed additional legislation in order that we might comp'ete the job because we did not have sufficient authority. That has been cleared with the Indians and we hope to have it introduced in Congress soon.

If the legislation is passed, I think we can move ahead with much faster speed.

WORK DONE IN CALIFORNIA

We have realined our forces in California and have completed the inventories of problems. We have groups of people working on land surveys, engineering surveys regarding roads and other problems that need to be turned over either to the Indians or to the local governments.

We have carried on work in a number of other reservations which I will not mention at this time. We have turned over many phases of the functional phases of local governments, including schools, health activities. We have transferred five road systems which include 305 miles of road, and while the progress is not as good as I would like to see up to this time, I think the ground work is laid for a real show of progress during the next months to come.

REASON FOR BUDGET INCREASES

The final item I would like to mention in my brief statement is to summarize briefly the basic reasons that underlie the increases in general that we are presenting to you today.

All of the increases requested we believe are sound investments on the part of the Government, looking to the time when the Indians will be in a position to carry on their own business operations and to speed up that time, and to the time when we can turn over more effectively the functions that are normally the functions of the governments locally and which can be transferred from the Federal Government to other governmental units.

MAJOR ITEMS OF INCREASE

I would just like to mention a few of the major items. These estimates include approximately $20 million for carrying forward the long-range program of the Navajo and Hopi which the Congress approved in their $88 million authorization bill which would be expended for four major items: Additional schools which are badly needed, or a rehabilitation of schools that are already on the reservation; roads; irrigation development in connection with the Colorado River program of relocation; and hospital and health programs.

Those are the major items. There are others.

HEALTH PROGRAM

In connection with the health program there are two major items. An all-out attack insofar as we think we can go in one fiscal year in trying to do something really effective about the tremendous tuberculosis problem that we have in the States and Alaska, particularly the Navajo and Alaska, as well as other areas.

It will provide for the effectuation or use of either private hospitals through contracts, or hospital beds that we have under our services to the extent of around 1,225 additional beds, if this appropriation is provided for tuberculosis patients.

The revision and expansion of public-health work which is badly needed in order to prevent the situation we find among our tubercular people; the increases in schools go to two items: Some increase in enrollment and some increased cost of operation due to rising costs.

WELFARE PROGRAM

In connection with the welfare item there are two major reasons for the increases requested. One is that we are requesting additional funds for foster-home care for youngsters that are now in our boarding schools, which are really institutional cases that we believe should be in public schools outside of our schools and which will make room for Navajo youngsters and others who have not yet had an opportunity to be in school, and the other phase is due to increased living costs under our general relief program.

TRAINING, PLACEMENT, AND RELOCATION PROGRAM

The next item has to do with the training, placement, and relocation program.

A very large increase is in this item which is pointed toward the fact that there are many, many young Indians who have not had the basic training that other people have had. We believe we should help them to try to get vocational training, not in our own schools, but generally in vocational schools away from the reservation; to provide some additional funds for transportation and temporary living costs in order to encourage Indians to go off of the reservation and into outside activities and to speed up the whole program of assimilation and integration and dispersal of population—there is, overpopulation now—in many of our reservations.

RESOURCES

On resources there are problems that go to conservation and land development, including water development in relation to range programs; better resource utilization of forest and range land; soil and moisture conservation, a sizable increase, and a sizable increase in the irrigation program from the standpoint of construction work.

There is also an increase in the item for the supervision and management of trust properties which has been badly needed throughout the last several years because we have found that we are getting more behind each year in handling this responsibility having to do with trust land, probate activities, the matter of handling of fee patents and other requests we have for land action.

For roads, a sizable increase. Outside of the Navajo-Hopi item, most of this would go to roads which we could bring up to a certain standard and turn over to the States and local counties and relieve ourselves of the responsibility once and for all for those particular roads.

As a matter of fact, we suggested that $4 million of this item be earmarked to be used only in connection with roads that could be handled in that way where we would not have the maintenance problem in the future.

CONSTRUCTION

On construction, some of these items I have mentioned are related to construction. There is a total of $35 million, a fair share of which is included in the Navajo-Hopi program which I mentioned and most of the rest of it is involved in irrigation and road construction this year. I believe it is in an area of operation with the exception of the schools and hospitals where it does not involve very much defense materials, so it could be developed without too much concern about that problem.

The administrative increase involves an increase to carry out the responsibilities we would have under an increased program and to provide the necessary administrative supervision which we feel is highly essential.

NEED FOR INDEPENDENCE OF INDIANS

Now, Mr. Chairman, may I just say again that it is our position in the Bureau that we should so conduct ourselves that we can get ourselves out of business as fast as possible. We believe this increase is a good investment rather than carrying on at a routine rate. It is intended to develop resources, to develop irrigated lands, to get roads brought up to standard, to take care of the health situation we are committed to in the Navajo and other areas; to provide training and placement and relocation opportunities for youngsters who ought to be off the reservations and into other activities.

I want to repeat that we do not think we should be carrying on any function which anyone else can do as well and as cheaply or cheaper than we can and we are going to proceed with the transfer of schools, health work, and other work as fast as we can work it out.

We have made, I think, excellent progress in the short time since the last hearing here, and we are set, I think, to make a great deal more progress in the years to come.

I believe that is all I have to say at this moment, except that we are ready to answer questions.

SUMMARY OF APPROPRIATIONS AND ESTIMATES

Mr. KIRWAN. You had $68,379,512 last year, plus tribal funds of $2,109,000. You are asking for $122,350,000, or an increase of $53,970,488, plus $226,000 for tribal funds?

Mr. MYER. That is correct.

Mr. KIRWAN.

Before we start with the questions, the table on page 1 of the justifications will be inserted in the record.

(The table referred to is as follows:)

Comparative summary of appropriations and appropriations estimates

Appropriation and activities	Appropriation 1952	Increases due to pay acts	Adjusted appropriation 1952	Decreases	Base 1953	Estimate 1953	Increases
Health, education and welfare services:							
1. Hospitals, disease preventive and curative services	$15,500,000	$1,044,765	$16,544,765		$16,544,765	$22,331,000	$5,786,235
2. Educational assistance, facilities and services	23,012,625	1,355,294	24,367,919		24,367,919	26,413,000	2,045,081
3. Welfare and guidance services	2,382,125	37,950	2,420,075	$400,000	2,020,075	4,124,000	2,103,925
4. Placement services	600,000	29,600	629,600	50,000	579,600	8,520,000	7,940,400
5. Law and order	330,000	23,660	353,660		353,660	517,000	163,340
Total	41,824,750	2,491,269	44,316,019	450,000	43,866,019	61,905,000	18,038,981
Resources management:							
1. Forest and range lands	1,799,946	72,173	1,872,119		1,872,119	3,418,000	1,545,881
2. Fire suppression	140,000		140,000		140,000	140,000	
3. Agriculture and industrial assistance	1,735,704	93,278	1,828,982		1,828,982	2,411,000	582,018
4. Soil and moisture conservation	1,424,444	81,828	1,506,272		1,506,272	4,050,000	2,543,728
5. Operation, repair and maintenance of Indian irrigation projects	835,000	19,000	854,000		854,000	854,000	
6. Repair and maintenance of roads and trails	2,224,730	45,270	2,270,000		2,270,000	2,270,000	
7. Development of Indian arts and crafts	42,321	2,192	44,513		44,513	48,000	3,487
8. Management of Indian trust property	1,172,238	99,262	1,271,500		1,271,500	2,151,000	879,500
9. Repair and maintenance of buildings and utilities	1,796,977	65,397	1,862,374		1,862,374	2,730,000	867,626
10. Weed control	300,000		300,000		300,000	300,000	
Total	11,471,360	478,400	11,949,760		11,949,760	18,372,000	6,422,240
Construction:							
1. Buildings and utilities	6,847,000		6,847,000		6,847,000	14,810,000	7,963,000
2. Roads and trails	1,358,000		1,358,000		1,358,000	10,000,000	8,642,000
3. Irrigation systems	2,370,000		2,370,000		2,370,000	11,046,000	8,676,000
Total	10,575,000		10,575,000		10,575,000	35,856,000	25,281,000
General administrative expenses:							
1. Departmental	740,000	55,000	795,000		795,000	975,000	180,000
2. Field	2,560,747	200,983	2,761,730		2,761,730	4,242,000	1,480,270
Total	3,300,747	255,983	3,556,730		3,556,730	5,217,000	1,660,270
Payments to Choctaw and Chickasaw Nations of Indians, Oklahoma	22,655	1,500	24,155	24,155			
Commutation of treaty obligations, Choctaw Nation of Indians	385,000		385,000	385,000			
Revolving fund for loans	800,000		800,000		800,000	1,000,000	200,000
Grand total	68,379,512	3,227,152	71,606,664	859,155	70,747,509	122,350,000	51,602,491

STATE COOPERATION

Mr. KIRWAN. Are the State and local people cooperating with the health program?

Mr. MYER. Yes; they are in a great many areas. We transferred additional responsibilities, I think, in nine new contracts with State and local authorities during the past few months. In addition to that, we have made 17 contracts with private institutions and agencies to take over services which we formerly had been rendering.

In a number of the States we have had very, very excellent cooperation and I might say the cooperation does vary from State to State, county by county and community by community, as you would expect, but we are getting excellent cooperation in a good many of the communities and in a good many of the States.

INDIAN ATTENDANCE AT PUBLIC SCHOOLS

Mr. KIRWAN. Tell us more specifically what has been accomplished this last year in the way of getting Indian children into the regular public schools and about securing regular community, health and hospital services for Indians.

Mr. MYER. With regard to getting them into the public schools, we have transferred, I believe, 18 actual school facilities to the public school districts. I believe that the total figure of between 600 and 700 youngsters have been transferred from our schools to public schools during the past few months and we have laid the ground work for a good many more transfers between now and the coming fall, which are worked out and are not finally completed.

One instance I could mention is the White Rock School in Utah, which we hope to close at the end of this school year which last year had 217 youngsters. This year we drastically reduced the number. We have full agreement on the part of the tribe and the school authorities that we will close that school between now and next September.

We have certain other cases of that type where we are able to work out agreements with the local school districts.

We are now exploring the possibility of additional State-wide contracts in two additional States. I believe we have entered into State contracts in two additional States since the last hearing. We have 16 now where we had 14 a year ago.

You said something about health and I did not get the rest of the question.

COMMUNITY HEALTH AND HOSPITAL SERVICE

Mr. KIRWAN. Tell us about obtaining regular community health and hospital service for the Indians.

Mr. MYER. I have already mentioned that we have been able to enter into contract agreements with 17 additional private facilities for providing hospital or medical service during the past few months. Some of those in North and South Dakota, in particular, where we have made a very thorough effort to try to work out a program, we are planning on closing completely or have closed completely the Fort Berthold hospital where the water behind Garrison Dam will cover up that area.

We have worked out agreements with the surrounding hospitals and communities to take care of all those services. As a specific

example, we have worked out agreements with nine additional areas either county or State for additional services in connection with public health work.

HOSPITALIZATION FOR INDIANS IN TUCSON AREA

Mr. KIRWAN. How about the Indians down below Tucson there? Are they getting any hospitalization there now?

Mr. MYER. Yes, we have a contract with the hospital in Tuscon where we are handling all the hospitalization cases.

In addition to that we have a clinic, an out-patient clinic at the reservation with a few limited beds for emergency cases, but we are handling those cases now through the use of ambulance transportation into the Tuscon hospital.

Mr. KIRWAN. Where is your emergency hospital down there?

Mr. MYER. At the agency headquarters itself.

Mr. KIRWAN. How do they get in from the other end of the reservation?

Mr. MYER. By ambulance.

Mr. KIRWAN. You have an ambulance there to send out for them?

Mr. MYER. We have ambulance service for them.

PLACEMENTS

Mr. KIRWAN. How many placements have been made this year and how many do you believe can be made with the $8 million increase being requested?

Mr. MYER. Mr. Chairman, on the placements that have been made this year, as it was indicated a year ago, it has been very, very difficult to get anything that was completely definite as to the part that we played in the placements. As you probably know, we are working in cooperation with the United States Employment Service, the local State employment agencies, with the Railroad Retirement Board and a good many other agencies are interested in placement.

The figures we have are based upon figures that we have secured through these agencies and through other agencies. We have a figure which does not include Oklahoma because we have not been able to get it separated in Oklahoma because of the interrelationships with Indians and others of 30,928 for seasonal work for the period July 1 to November 30. That is not for the whole year. That is for the beginning of the fiscal year and a period of 5 months.

This is 30,928 total placements.

As I say, there may be some repetitions in that because in connection with some of the seasonal work, in particular, it is very difficult to separate those that may have been placed once or twice or three times.

My guess is that if you were to boil that down to individual placements on that it would come nearer 25,000 placements than a total of 30,000.

On permanent-type placements we have a record not including Oklahoma of 3,127 in the various lines of activity. Most of them are in contract construction, governmental establishment, special Government projects such as dams and that sort of thing, and in manufacturing and the rest of them they are scattered through a whole range of activities.

ESTIMATED PLACEMENTS IN 1953

Now, as far as the placement for the coming year is concerned, I might turn to my figures. It is proposed under the 1953 program, Mr. Chairman, that we will be able to place in employment 4,000 workers who desire such employment and to assist these persons and their families to move and settle in such communities where such employment exists.

POSSIBLE USE OF INDIAN LABOR

Mr. KIRWAN. Now, Mr. Myer, we are importing thousands and thousands in from Mexico each year and there are thousands and thousands coming in who are not coming in properly.

Is there some way between your agency and the other agencies of the Government that we could move Indians into that labor pool?

Mr. MYER. We feel this program will very much expedite the opportunity to do just that.

Mr. KIRWAN. It is being built around that?

Mr. MYER. That is right. It is being built around that and particularly with the idea to give a basis for more permanent employment on the part of Indians outside of the reservation.

Now, it is also expected that in this program we will continue to assist the recruitment of people who are going to do seasonal labor in agriculture, as we have been doing in the past 2 or 3 years in a rather large way.

In the last season for the Navajo, it was about 11,000 people who had gone off to work outside in the cottonfields, the wheatfields or the railroad, which has meant a great boom to the Navajo country from the standpoint of immediate cash.

In addition to that there are many Papagoes; I would say, in those two areas we are probably getting more people to go off in seasonal labor than probably any other because of the interests the Santa Fe and some of the other railroads have had in connection with railroad work and the active interest of the Railroad Retirement Board in recruitment for railroads of that area for seasonal track work, as well as shop work, but in addition there are ample opportunities in the Salt River Valley and a good many other places close by for the employment of Indians, as well as other types of labor in seasonal crops and vegetables, cotton and other types of activity and even fruit.

Therefore, we are shooting at both programs.

We believe that the migrant seasonal labor is a good interim thing. We believe ultimately most of these people should move off of the Navajo and other highly populated reservations and located in other communities and we would like to step up that program in giving some assistance and encouragement through the use of vocational schools for short or longer periods of training.

INDIAN POPULATION

Mr. KIRWAN. How many Indians do we have in the country, today?

Mr. MYER. As nearly as we have been able to estimate, we have figured about 435,000 that are under our general program in the

United States and Alaska. We do not know exactly. We have had to base it on an estimate.

RESULT OF TRAINING THE INDIANS

Mr. KIRWAN. If they were helped along in their health, as you were talking about in the case of tuberculosis, and in other respects to the extent they should have been in the past 10 years, do you not think that they would have been integrated, and rightfully so, in the rest of this Nation, just as we have integrated a half million Puerto Ricans in the past 10 years?

Mr. MYER. I think if we had the facilities that we are proposing in this budget this year 10 years ago and moved into this program, we could have had a great deal of that program accomplished and out of the way.

Mr. KIRWAN. New York City alone has absorbed nearly 300,000 Puerto Ricans. That is just one city. If a chance were given to the Indians to acclimate themselves and get out in there, they would be no different from anybody else and would not be going back to the reservation.

Now, in connection with the questions I have been asking you with regard to placement of indians, I wish you would put the table on pages 31 through 38 of the justifications into the record.

(The table referred to is as follows:)

Area placement offices (exclusive of Sacramento and Window Rock)

	Grade	Salary	Travel and expenses
Area placement officer	GS-13	$8,360	
Assistant area placement officer	GS-12	7,040	
Vocational training specialist	GS-11	5,940	
Community adjustment specialist	GS-11	[1] 5,940	
Clerk	GS-5	3,410	
Secretary	GS-5	3,410	
Stenographer	GS-4	3,175	
Total		37,275	[2] $12,000

[1] Not for Anadarko, Albuquerque, Billings, and Juneau.
[2] $11,000 for Anadarko, Albuquerque, Billings, and Juneau.

SUMMARY

Salaries, 5 offices, at $37,275, $186,375; 4 offices, at $31,355, $125,340	$311,715
Expenses, 5 offices, at $12,000, $60,000; 4 offices, at $11,000, $44,000	104,000
Total, 9 areas	415,715
Add Alaska salary differential	7,840
Add for expenses, Alaska	3,000
Total	426,555

Window Rock area

	Grade	Salary	Travel and expenses
Area office:			
Chief of welfare and placement	GS-13	$8,560	
Secretary	GS-4	3,655	
Area placement officer	GS-12	7,040	
Vocational training specialist	GS-11	5,940	
Assistant training specialist	GS-10	5,500	
2 training assistants	GS-7	8,410	
Community adjustment specialist	GS-11	5,940	
3 home counselors	GS-5	10,230	
2 clerk-stenographers	GS-4	6,350	
Clerk-interpreter	GS-3	2,950	
Fort Defiance:			
Placement assistant	GS-7	4,580	
Clerk-typist	GS-3	3,030	
Shiprock:			
Placement assistant	GS-9	5,060	
Clerk-typist	GS-3	2,950	
Gallup:			
Placement assistant	GS-7	4,580	
Clerk-typist	GS-3	2,950	
Farmington:			
Placement assistant	GS-7	4,455	
Clerk-typist	GS-3	2,950	
Chinle:			
Placement assistant	GS-9	$5,060	
Placement trainee	GS-5	3,410	
Clerk-typist	GS-3	2,950	
Tuba City:			
Placement assistant	GS-9	5,060	
Placement trainee	GS-5	3,410	
Clerk-typist	GS-3	2,950	
Leupp:			
Placement assistant	GS-7	4,330	
Clerk-typist	GS-3	2,950	
Hopi (Keams Canyon):			
Placement assistant	GS-9	5,060	
Recruiter	GS-5	3,660	
Part-time and temporary recruitment services		6,545	
Total		140,515	$43,000

SUMMARY

Salaries	$140,515
Expenses	43,000
Total	183,515

Agency placement offices, Group I

	Grade	Salary	Travel and expenses
Placement officer	GS-11	$5,940	
Assistant placement officer	GS-9	[1] 5,060	
Placement assistant	GS-7	4,205	
Clerk-stenographer	GS-4	3,175	
Stenographer	GS-3	2,950	
Total		21,330	[2] $6,000

[1] Not for Fort Berthold.
[2] $5,000 for Fort Berthold.

PLANNED LOCATIONS

Aberdeen:
- Pine Ridge
- Rosebud
- Turtle Mountain Consolidated
- Fort Berthold

Billings: Fort Belknap Consolidated
Minneapolis: Consolidated Chippewa
Phoenix: Papago
Total of 7 agencies

SUMMARY

Salaries, 6 agencies, at $21,330, $127,980; 1 agency, at $16,270	$144,250
Expenses, 6 agencies, at $6,000, $36,000; 1 agency, at $5,000	41,000
Total 7 agencies	185,250

Agency Placement Offices, Group II

	Grade	Salary	Travel and expenses
Placement officer	GS-9	$5,060	
2 placement assistants	GS-7	8,410	
Stenographer	GS-3	2,950	
Total		16,420	$5,500

PLANNED LOCATIONS

Aberdeen:
- Cheyenne River
- Standing Rock.
- Winnebago.

Minneapolis: Great Lakes Consolidated.
Phoenix: Carson.
Total of 5 agencies.

SUMMARY

Salaries	$16,420
Expenses	5,500
Each agency	21,920
	×5
Total	109,600

Agency placement offices, Group III

	Grade	Salary	Travel and expenses
Placement officer	GS-9	$5,060	
Placement assistant	GS-7	[1] 4,205	
Stenographer	GS-3	2,950	
Total		12,215	[2] $5,000

[1] Not for Cherokee (North Carolina), Colorado River, Crow Creek, Mescalero, and Wind River.
[2] $4,600 for Cherokee (North Carolina), Colorado River, Crow Creek, Mescalero, and Wind River.

PLANNED LOCATIONS

Aberdeen:
- Crow Creek
- Sisseton

Albuquerque: Mescalero
Billings:
- Blackfeet
- Northern Cheyenne
- Wind River

Minneapolis: Cherokee (North Carolina)
Muskogee:
- Choctaw (Mississippi)
- Idabel

Phoenix: Colorado River
Total of 10 agencies

SUMMARY

Salaries, 5 agencies, at $12,215, $61,075; 5 agencies, at $8,010, $40,050	$101,125
Expenses, 5 agencies, at $5,000, $25,000; 5 agencies, at $4,600, $23,000	48,000
Total, 10 agencies	149,125

Field placement offices

	Grade	Salary	Travel and expenses
Group I (Chicago, Los Angeles, New York):			
Placement officer	GS-13	$8,360	
Assistant placement officer	GS-12	7,040	
Vocational training specialist	GS-11	5,940	
Community adjustment specialist	GS-9	5,060	
3 placement assistants	GS-7	12,615	
Clerk-stenographer	GS-5	3,410	
2 stenographers	GS-4	6,350	
		48,775	$12,000
Group II (San Francisco, Cleveland, Detroit, Seattle):			
Placement officer	GS-12	7,040	
Assistant placement officer	GS-11	5,940	
Vocational training specialist	GS-9	5,060	
2 placement assistants	GS-7	8,410	
Clerk-stenographer	GS-5	3,410	
Stenographer	GS-4	3,175	
		33,035	9,000
Group III (Denver, Salt Lake City, St. Louis, Houston, Anchorage, Fairbanks):			
Placement officer	GS-11	$5,940	
Assistant placement officer	GS-9	5,060	
Placement assistant	GS-7	[1] 4,205	
Clerk-stenographer	GS-4	3,175	
Stenographer	GS-3	2,950	
Total		21,330	[2] $8,000

[1] Not for Anchorage and Fairbanks.
[2] $17,125 for Anchorage and Fairbanks.

SUMMARY

	Group I	Group II	Group III	Total
Salaries	$146,325	$132,140	$119,570	$398,035
Expenses	36,000	36,000	48,000	120,000
Total	182,325	168,140	167,570	518,035
Add Alaska salary differential				8,560
Total estimate field placement offices				526,595

AMOUNT REQUESTED FOR 1953

Mr. NORRELL. Mr. Myer, I am shocked at this total amount of your budget.

We appropriated the largest amount of money last year to your agency that was ever appropriated in 1 year due, I think, to the fact that this committee had implicit confidence in the director.

Now, I am in line with your liquidation concept, but frankly, when you come in here with a budget increasing about 90 percent over what you had last year, to me that is not a liquidation. I do not want to go into the several items here, but I do think this increase is sufficient for me to ask you in all seriousness if any other agencies of the Government anything like touch you in increases. How can we do it with the money that we have coming in, regardless of need or the justice of it or anything else?

Mr. MYER. Mr. Norrell, I can well understand how you would raise such a question. It is a very large increase. Of that, there is not any doubt.

I assume that when the Bureau of the Budget and the President reviewed this, they kept in mind the total budget and the things they felt perhaps we should get ahead with now.

REQUEST BASED ON ULTIMATE LIQUIDATION

As far as we are concerned, we do believe, and honestly so, that this is a budget which will move us definitely in the direction of getting us out of business.

I honestly believe that it is an investment which, if it is made now, will cost less money over the long run than if we continue simply a routine budget, if we assume—which I think we must—that the lands which are irrigable or that are to be developed as irrigated lands should be developed as quickly as possible so the Indians may begin to get on their own.

Mr. NORRELL. But, Mr. Myer, if you will pardon any interruption at this point, we have been liquidating this thing for the years I have been on this committee and each year we have been adding more and more and more and this year you are adding around 90 percent more than you had last year. I do not believe we are liquidating it by increasing the expenses.

Mr. MYER. Well, we are increasing the expenses. Of that there is not any doubt. I mean it is evident on the face of the budget.

We have an item in here of approximately $11 million for the development of irrigation lands which is much more than we had in last year's budget. We have an item of $10 million for road construction which is much more than last year. I have already indicated that 4 million of that would be tabbed for roads which we would complete and we would have no more responsibility for because we think we can enter into agreements with the communities to take over.

Mr. NORRELL. And summing it up there is not one item here in the bill that has been reduced or omitted except some that we have merged in another appropriation.

Mr. MYER. Very little reduction except as we have adjusted them across the board.

Mr. NORRELL. Not one single item.

HEALTH PROGRAM

Mr. MYER. On the health program, which is one of the large items on the tuberculosis program, we feel that there is a responsibility and the quicker we get at it and do something about it effectively, the less it is going to cost the Government and everybody else over the long run in both manpower, medical costs, and in the health facilities that are necessary ultimately to be provided because it has been very long neglected.

We feel the same way about the public-health phase of the program. It is not a routine budget. I grant you that. It is an all-out budget with the idea of doing everything we can to move ahead with this program.

SIZE OF FUTURE REQUESTS

Mr. NORRELL. You are going to have another all-out budget next year?

Mr. MYER. My own judgment would be that on these items—I say "these items" because they are important items—these key items that have to do with placement and relocation, they would probably run over a series of how many years I do not know; probably 10, I would guess.

On items like irrigation, I would hope that if we got this kind of a budget over 10 to 15 years we would pretty well complete the job. I mean year by year.

Mr. NORRELL. I knew you felt the items were justified and needed and all that. However, the question Congress is interested in, and I know I am, is how we are going to defray this kind of expense.

Mr. MYER. I recognize that there is a very real problem. I have not as yet seen the total figure of the President's budget. I would simply have to say that I assume the President and the Bureau of the Budget have judged these items on the basis of what they feel should be increased and what they feel should be cut back.

Mr. NORRELL. You also know that they have had under consideration the request for additional taxes. You know Congress is not going to vote any bill like that for additional taxes this year. We cannot gear this budget to the Bureau of the Budget. It is the responsibility of the Congress of the United States.

Mr. MYER. I would just like to say this, Mr. Norrell: I recognize how you would raise this question. I am trying to tell you that I am in no position to appraise the total budget. I have to leave that responsibility to the President, the Bureau of the Budget, and the Congress. We are going to do our best to present our case.

Mr. NORRELL. I do not believe anybody is taking any interest—certainly they are not solving the deficit problem of our country, notwithstanding our increase in taxes to the tune of billions and billions of dollars. We are getting a budget larger than ever, and we are not going to increase taxes.

REASONABLENESS OF REQUEST

Mr. MYER. As I say, I do not know what the total budget is. I am simply trying to tell you that if funds are available through taxes to provide this kind of a budget, I think it is a reasonable budget when you consider all the factors. I think it is a good investment for the Government if we are going to carry out these responsibilities ultimately.

I think it will speed up the time when we can get out of business and I think we will be able to cut it back to a much lower level. As to how long it will take on these items, I have not made the analysis, but I am sure within certain areas we will be able to get out of business fairly soon if we get the money we are asking for.

For example, on the road program. Within the $10 million program, we believe that would complete every responsibility we have in California regarding roads, so we would be in a position to turn every road, local and otherwise, over to the local government and move out of the road program in California.

Mr. NORRELL. Mr. Chairman, I am not going to prolong this, but it is a strange way to liquidate to bring in a budget here with about a 90 percent increase in 1 year.

Mr. MYER. May I add just one other thing. Mr. Chairman? I can see the point of view Mr. Norrell presents, but let me say that when you have a program that is as large as this one and as intricate as this one, with the responsibilities that we have taken on,

it is going to cost more money for a time to get out of business than if we run on a routine basis and simply run it year after year, by running reservations and just riding along.

Now, there is no doubt in my mind about it, and I need to be perfectly honest with you, if we are going to clean up some of these jobs and get ourselves out of some of these communities, it is going to cost more money for a period of time.

There is no question about it.

Mr. JENSEN. Did I understand you to say, Mr. Myer, that a budget of this size in 10 years would do the job?

Mr. MYER. No, not quite that.

What I said was that I hope, if given a budget of this type of placement, training, and relocation, we could have done a pretty fair job 10 years ago in moving people off the reservations and decreasing population there and placing them in the regular stream of the manpower program.

I think I said a program of this size on irrigation over 10 or 15 years would pretty well complete our commitments on the irrigation-development program.

On the others I have no basic estimate at my fingertips, Mr. Jensen.

Mr. JENSEN. If you spend in the next 10 years $1,220,000,000, and divide 400,000 into that, if I am not mistaken, it makes about $3,000 per Indian.

Now you can buy a little farm for each one of those Indians of at least 10 acres and irrigate it for them for that much.

Mr. MYER. May I point out that you couldn't do that and render the services that we are providing in the way of schools, hospitals, and other services, which is the major part of this budget, for the interim period.

Mr. JENSEN. If we did that for the Indians, they would get along like everybody else does.

I must agree with Mr. Norrell that I am very much set back by the size of this request which you make for 1953 for the Bureau of Indian Affairs.

HEALTH, EDUCATION, AND WELFARE SERVICES

Amounts available for obligation

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate	$39,732,328	$41,824,750	$61,905,000
Transferred to "Expenses of defense production, Executive Office of the President," pursuant to Public Law 45	−110,000		
Adjusted appropriation or estimate	39,622,328	41,824,750	61,905,000
Proposed supplemental due to pay increases		2,177,000	
Available from subsequent year authorization	553,708	750,000	750,000
Available in prior year	−730,885	−553,708	−750,000
Prior year balance available		28,129	
Reimbursements from other accounts	206,105	100,000	100,000
Total available for obligation	39,651,256	44,326,171	62,005,000
Balance available in subsequent year	−28,129		
Unobligated balance, estimated savings	−154,203		
Obligations incurred	39,468,924	44,326,171	62,005,000

Obligations by activities

Description	1951 actual	1952 estimate	1953 estimate
1. Hospitals, disease preventive and curative services	$14,676,199	$16,528,015	$22,346,000
2. Educational assistance, facilities and services	21,918,931	24,537,900	26,498,000
3. Welfare and guidance services	2,320,275	2,283,256	4,124,000
4. Placement services	262,890	626,156	8,520,000
5. Maintaining law and order	290,629	350,844	517,000
Obligations incurred	39,468,924	44,326,171	62,005,000

Obligations by objects

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions	7,150	7,585	9,066
Full-time equivalent of all other positions	428	312	332
Average number of all employees	6,815	7,490	8,472
Average salaries and grades:			
General schedule grades:			
Average salary	$3,395	$3,833	$3,927
Average grade	GS-5.2	GS-5.2	GS-5.5
Crafts, protective, and custodial grades:			
Average salary	$2,402	$2,795	$2,839
Average grade	CPC-3.2	CPC-3.2	CPC-3.2
01 Personal services:			
Permanent positions	$18,958,393	$24,929,505	$28,610,870
Part-time and temporary positions	1,238,572	973,399	972,999
Regular pay in excess of 52-week base		100,537	122,726
Payment above basic rates	957,459	1,155,324	1,210,324
Payments to other agencies for reimbursable details	79,240	184,580	201,780
Total personal services	21,233,664	27,343,345	31,118,699
02 Travel	604,133	803,849	1,026,015
03 Transportation of things	596,844	499,983	565,389
04 Communication services	101,369	108,477	142,275
05 Rents and utility services	660,205	665,828	833,093
06 Printing and reproduction	17,624	34,739	32,592
07 Other contractual services	3,379,797	4,327,600	7,814,623
Services performed by other agencies	162,164	190,200	148,400
08 Supplies and materials	7,358,191	7,253,608	8,222,340
09 Equipment	2,689,065	1,097,514	3,039,434
11 Grants, subsidies, and contributions	3,662,559	3,144,522	10,424,770
15 Taxes and assessments	7,171	10,190	18,370
Subtotal	40,472,786	45,479,855	• 63,386,000
Deduct charges for quarters and subsistence	1,003,862	1,153,684	1,381,000
Obligations incurred	39,468,924	44,326,171	62,005,000

Analysis of expenditures

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year	$730,885	$6,992,801	$7,625,972
Obligations incurred during the year	39,468,924	44,326,171	62,005,000
	40,199,809	51,318,972	69,630,972
Deduct:			
Reimbursable obligations	206,105	100,000	100,000
Unliquidated obligations, end of year	6,992,801	7,625,972	10,330,972
Total expenditures	33,000,903	43,593,000	59,200,000
Expenditures are distributed as follows:			
Out of current authorizations	33,000,903	34,607,199	52,090,028
Out of prior authorizations		6,892,801	7,025,972
Out of anticipated 1952 supplemental due to pay increases		2,093,000	84,000

Mr. KIRWAN. You are asking for $61,905,000 for health, education, and welfare services. You had $41,824,750 last year. That is an increase of $20,080,250.

Mr. MYER. That is right.

Mr. KIRWAN. Is every dime of that necessary?

Mr. MYER. If we carry out the program outlined here, I think so. I think these estimates are based on very solid formula.

May I point out that the increases divided themselves as follows:

ITEMS OF INCREASE

There is $5,786,235 for hospitals, disease-preventive and curative services, and the key items there which have already been mentioned would provide for about 1,225 additional tuberculosis hospital beds in our own hospital at Anchorage, in the hospital we propose to take over temporarily in Denver, Colo., in two other hospitals that we already have where we could activate some new beds, and in contract beds in private sanatoriums and other public sanatoriums we have found available through a survey that we have made.

Now, the rest of that is some additional funds for public-health work which we believe will help prevent many diseases if we can really do an active job.

FUNDS FOR TUBERCULOSIS CONTROL

Mr. NORRELL. In 1953, you are asking for about $162,723 for tuberculosis control. Is that right?

Mr. MYER. The items that I am speaking of, Mr. Norrell, have to do with the increase in beds for tuberculosis patients under hospitalization.

Mr. NORRELL. But you are planning for them after they get in the beds. My point is, try to keep them from having it.

Mr. MYER. We are asking in addition for $895,400 increase for public-health work, which is the item that we also need to try to keep them from getting in the hospital beds. That is a preventive type of activity.

HOSPITALS, DISEASE-PREVENTIVE AND CURATIVE SERVICES

Mr. KIRWAN. You think that the increase of $5,786,235 is necessary for hospitals, disease-preventive and curative services?

Mr. MYER. I think it is justified on the grounds that there is a tremendous need. I believe this is about all we could use in 1 year, and I would like to break down briefly how it would be used.

The Anchorage Hospital, which this committee has authorized, will be ready to be opened within the next fiscal year with 300 tuberculosis beds and 100 general beds.

It is proposed to take over the old military hospital at Fort Logan, Colo., for temporary use for 300 beds. We would expect to add 100 beds in the hospitals we already have at Talihina and at Tacoma. In addition to that, there would be 400 contract beds in general, and about an additional 150 to 200 contract beds scattered in specific sanitariums throughout the country where we hove agreements now, such as the Galen Sanatorium in Montana and certain other sanatoriums in Washington and other States.

Now, Mr. Chairman, I do believe that there is a need for an increase in our public-health activities, in addition to providing the hospital beds in the hospitals that we have already mentioned and the contract beds outside for tuberculosis beds. Yes, it is justified.

EDUCATIONAL ASSISTANCE, FACILITIES, AND SERVICES

Mr. KIRWAN. Now you come to "Educational assistance, facilities, and services," $2,045,081.

Mr. MYER. That is increase in enrollments in schools which have already been justified before this committee, such as those in the Navajo country, and the increase in cost of commodities because of the general rise in prices.

WELFARE AND GUIDANCE SERVICES

Mr. KIRWAN. You have an increase here for "Welfare and guidance services' of $2,103,925.

Mr. MYER. There are two items in this proposed increase. I mentioned it briefly in my general statement, and I would like to go a little bit more in detail.

We have throughout the country, and have had for a number of years, a group of boarding schools, many of which in recent years have become practically institutions for youngsters who are orphaned youngsters, youngsters coming from broken families, poverty-stricken homes, who for other good reasons are in these boarding schools.

We would like to go through those schools and get those youngsters put into normal homes where they could go to public schools. We could thereby make available additional space for the 14,000 or 15,000 Navajo youngsters not now in school, and cut down the need for additional construction in the future as far as school buildings are concerned.

CURTAILMENT OF HOSPITAL AND SCHOOL CONSTRUCTION

I would like to just pause to say right there, Mr. Chairman, in regard to this budget, with the exception of the commitments that have been made in the Navajo, and excepting in areas where there isn't going to be a chance for a great many years to come for local governments to provide facilities, I have asked that there be no reconstruction request either for hospitals or schools. I hope we will never have to build another one outside of those areas. I hope that we can begin to transfer the ones we have to the State and local agencies wherever we can, and I believe that very deeply, and I would just like to say in that connection that I have a letter here with me, which I just received yesterday, from the Aberdeen office stating that a school burned down in early January, on the Rosebud Reservation; and, instead of proposing to come up for an estimate before you folks for replacement, they arranged with the school board at Mission, S. Dak., to get those youngsters into the day schools at Mission, with some transportation provided, so they won't need a new school. I think that is the type of thing we ought to be doing every place we can in working out that kind of deal.

This just gave us an opportunity to move in and do a job.

REQUEST FOR PLACEMENT SERVICE

Mr. KIRWAN. For the placement service you ask an increase of $7,940,400, which is practically $8 million. Elaborate a little more on that.

Mr. MYER. Mr. Chairman, that is an unusual item this year in view of the fact that we are coming to you and asking for an increase which is very, very high percentagewise.

I started to mention it would provide for an increase of $7,940,000, to provide for training and relocation of approximately 1,700 unattached adults and 650 persons with their families; aid 100 persons in doing apprenticeship work in connection with the trades to get them into skilled-trade activities, and to help in placing in permanent employment approximately 4,000 workers who desire such employment around the country.

Now a very large portion of that money would be used for vocational training, for transportation; for funds that are of immediate use to families who are poverty stricken who want to move into other areas.

A part of it would go for increases in personnel in establishing new placement offices at the reservations, and in some of the communities around the country, to help expedite the whole placement and adjustment program.

We have a detailed statement on that in the appendix that is attached here and if you would care to have me go into more detail, I would be glad to do so but that in general is what that item is for.

LAW AND ORDER MAINTENANCE

Mr. KIRWAN. You are asking for an increase of $163,340 for law and order maintenance.

Mr. MYER. That is a small item in consideration of the total responsibilities but what it does is to provide four additional special officers who would be used to help supervise and train additional Indian police and to help handle problems on an area-wide basis and would provide for certain Indian police. That is set forth on page 43 of the justification.

It is almost entirely for personnel, travel expense, automobiles, and other operating expenses for an additional 33 officers, in areas where they are badly needed.

They would be placed, seven of them in the Aberdeen area, one at Albuquerque, one at Billings, nine in the Phoenix area—Arizona, Nevada, and Utah—three in the Portland area, and eight of them in the Navajo and Hopi country.

HOSPITAL EXPANSION PROGRAM

Mr. NORRELL. On your hospital expansion program, I believe I find a break-down of that on page 7 of your justification involving a total of $3,065,835.

Mr. MYER. That is right.

Mr. NORRELL. That is the increase, I believe.

TRANSFER OF FORT LOGAN VETERANS' HOSPITAL

Now I notice you have taken over or desire to take over a veterans' hospital in Fort Logan, Colo.

Mr. MYER. That is correct.

Mr. NORRELL. Do you know how much that hospital cost the Government when it was constructed?

Mr. MYER. No, I do not, Mr. Norrell. It is an old, old institution. It is one of the older Army institutions that has been in existence for a good many years.

Mr. NORRELL. How many years, do you know?

Mr. MYER. About 50 years. I think it was constructed around 1900, originally.

Mr. NORRELL. It is still usable?

Mr. MYER. We feel that it is, for a temporary period.

Mr. NORRELL. The Veterans' Administration is continuing to construct veterans' hospitals throughout the country. I wonder if they just do not need this institution in Colorado.

Mr. MYER. Well, evidently it was decided that they did not need it. It is my understanding that they built a new hospital in that area and as a result it has been determined by somebody, whether by the Veterans' Administration or the Bureau of the Budget, that there is no need for this hospital. This was called to our attention by the Bureau of the Budget, in the first place, and we were asked whether we could utilize it. We reviewed the whole lay-out there and told them that we were much more interested, if we were only to get a limited amount of money, in the contract beds which we were requesting for the 500 or 600 additional beds in private and public institutions, but if we could get both in order to make an all-out attack on the tuberculosis problem, we could use it probably for a period of 5 or 6 years.

Mr. NORRELL. Do you plan to remodel it next year and ask for certain alterations and so on?

Mr. MYER. I believe we have in this budget about $400,000 for that job that would come in this particular budget under the construction item in addition to what we have here, Mr. Chairman.

Mr. NORRELL. That is not going toward liquidation, is it? That is toward an expansion program?

Mr. MYER. Let me say it is an expansion in the use of hospitals.

Mr. NORRELL. Another item on page 10 of your justifications interests me. I am not going to ask about all these matters, just the ones that look outstanding.

PUBLIC-HEALTH TRAINING

You are desirous of creating a new public-health program involving $90,000 for training. You want $895,400 for it all together?

Mr. MYER. This is an increased item in that activity. I would like to talk first about the $90,000.

I have had a feeling for quite some time, ever since I came into the Bureau and before, growing out of my experience with the Institute of Inter-American Affairs in Latin-American countries, that perhaps we ought to try to train some bright Indian youngsters who come through high school to do some educational work on the reservations, that has to do with sanitation, crowded living, why you wash your hands before

you get meals and practical sanitary problems, which may eliminate some disease through a simple type of sanitary activity which I believe will be very helpful not only in giving some youngsters a chance to get interested in further training themselves but render a service in the meantime to Indians because they are bilingual—they can talk the Indian language if they need to talk to old people, or they can talk also to other people who speak English.

Mr. NORRELL. Assuming that is correct, could you not get by on less than the $90,000 increase for training the Indians?

Mr. MYER. We feel this is pretty limited. It would pay only a comparatively low salary for these young people. It does provide a little money for training by the Public Health Service—a special school for 2 or 3 months.

Before they go out, we think for 20 youngsters under the proper supervision that it is about right. We have gone over this one pretty carefully.

PUBLIC HEALTH SERVICES

Mr. NORRELL. Do you desire to comment on the $805,400 item?

Mr. MYER. Yes. I would like to say that that is for a type of service similar to the generally accepted pattern of well-organized, full-time county health departments in areas where there are no county health departments at the present time to render services to Indians.

It is expected that it would be used to improve health conditions among Indian groups, to lower the illness rates and to improve employability and their economic status.

Mr. NORRELL. Where is that area?

Mr. MYER. There are a number of areas that we feel these teams can be utilized in. I will get them for you here in just a monemt.

This would involve 21 positions in the Aberdeen area where we have a number of reservations in the Sioux country. It would involve the use of health officers, sanitary engineers, health educational people, nutritionists, and public health nurses.

We would have 18 in the Pueblo country and the Apache country of New Mexico. Eighteen personnel in the Billings area which involves Montana and Wyoming. Twenty-three in Arizona, Nevada, and Utah, and 31 in the Navajo-Hopi country.

Mr. NORRELL. Do you mean to tell me that the Indian service heretofore has been neglecting those areas?

Mr. MYER. There is no doubt but what the Indian service has not had the funds to carry on an adequate public health program in those areas. That is correct.

Mr. NORRELL. I thought they had been getting a liberal sum of money here. I didn't know there was any area which had been neglected.

Mr. MYER. I would like to say you are correct. Comparatively speaking, there has been I think a very adequate amount of attention paid by this subcommittee to health activities, largely for hospitalization and activities of that kind.

Mr. NORRELL. I don't know of any item that we vetoed.

Mr. MYER. I think that is correct but our problem has been to get it before you, before this time, on the public health phase of it.

Mr. NORRELL. I am shocked to know that the Indian service has in all they have heretofore asked for, neglected those areas and did nothing in those areas toward public health.

Mr. MYER. I am a bit surprised myself that more funds have not been made available for this type of work.

CONSTRUCTION OF SCHOOLS

Mr. NORRELL. Let us skip on down now to page 12. Are there any new schools you are desiring to construct or expand?

Mr. MYER. Under the school items which you have here, it does not involve construction.

Now under the construction budget which comes later on in the book here there will be some schools.

This item here has to do entirely with the cost of increased enrollment in schools already available and the increased cost of operations in connection with the schools in existence now.

SCHOOL ENROLLMENT

Mr. NORRELL. Has the enrollment decreased any?

Mr. MYER. It has increased because of the fact that we have brought some schools into use, particularly in the Navajo country, that had been under construction in the last year or two or three and were opened up or will be available for next fall.

Mr. NORRELL. The liquidation is increasing here in place of decreasing also, is it not?

Mr. MYER. My point is this, Mr. Norrell. As I mentioned in my general statement the Congress has been committed to an $88 million program which has shrunken somewhat with the inflation, for increased schools, health, roads, and other facilities in the Navajo Reservation. All of the construction with the exception of one or two items I believe on schools that we have in this budget have to do with that general commitment because we would like to complete that job as soon as we can.

Now as to whether or not the Government will ultimately operate those schools is another question. I hope not. In the meantime, for a temporary period, I think we will.

We are examining the whole question as to whether once we get these schools constructed we can begin to turn them over one by one for State and local operation and begin to develop local school districts.

It doesn't mean we are necessarily going to stay in the business to run them in the future but I think we are pretty well committed to construct those schools up to a certain point to provide the educational facilities for those youngsters, because that land isn't taxable.

NAVAJO BOARDING FACILITIES

Mr. NORRELL. I notice on page 13 of your justifications that you are asking for large increases in the Navajo boarding facilities.

You are taking care of additional people over and above the ones we appropriated for this year.

Mr. MYER. That is right.

Mr. NORRELL. Do you think this amount is necessary for you to take care of the increase in a fashion similar to the way we have done in the past?

Mr. MYER. We do, on the basis of the formula we use and on the basis of the cost of commodities and future costs.

PUBLIC ASSISTANCE

Mr. NORRELL. Let us go to page 20 of your justification.

What did we appropriate last year? Was that it?

Mr. MYER. The public assistance shown as $400,000 was an extra item that was put in in the Senate for use in Arizona alone, by the Senate committee. We have suggested that that be stricken this year.

REQUEST FOR WELFARE SERVICE

Mr. NORRELL. How much are you asking as an increase for your welfare service program this year?

Mr. MYER. It is $2,103,925, of which $1 million is for boarding home care for youngsters now in boarding schools; institutions that we are now operating, with the hope that we can relieve the load in those schools and provide more opportunity for youngsters who are not in school to get into the schools and have these youngsters go into the normal public schools.

Mr. NORRELL. Now you are getting more for your program in this category than you had. This is an increase rather than a liquidation.

Mr. MYER. No, I wouldn't say so, entirely.

Mr. NORRELL. You wouldn't say so?

Mr. MYER. No, I think not. Not on this particular item.

RELIEF LOAD APPROXIMATELY SAME

We still have the responsibilities for the general relief and the relief load is approximately the same this year, or the estimate, as for last year, except we estimate it will take $10 more per head than it did a year ago. We used $15.77 with the funds we had last year; we think it will take $27.50 per person this coming year and with the boarding home care we believe if we can get these people established in normal schools and in foster homes, with our aid for the time being, we can ultimately withdraw from that program without as much difficulty as if we still have them in our other institutions and boarding schools.

REQUEST FOR PLACEMENT, TRAINING, AND RELOCATION

Mr. NORRELL. Now, I believe the balance of your justification is based around your placement, training, and relocation program.

Mr. MYER. That is right. Well, with the exception of a small increase for law and order, of $163,000.

Mr. NORRELL. How much did we appropriate last year on that?

Mr. MYER. The House appropriated, I believe, approximately $1,300,000. The Senate cut it back rather drastically to about $600,000, approximately.

Mr. NORRELL. And how much are you asking for this year?

Mr. MYER. We are asking for $8,520,000 this year and as I have already pointed out, most of that is for vocational training, for use of funds for transportation, encouraging families to move through giving them immediate aid in getting off the reservation, rather than a general increase just in placement activities.

Mr. NORRELL. What percentage increase is that?

Mr. MYER. It is a very large percentage increase.

Mr. NORRELL. About what would it be?

Mr. MYER. Approximately $600,000 last year and $8,520,000 this year. It is about an $8 million increase.

Mr. JENSEN. It is about 14 times more. It is about 1,400 percent more.

PURPOSE OF INCREASE

Mr. NORRELL. With this money you would set up a complete personnel organization, practically throughout the entire jurisdictional area; would you not?

Mr. MYER. We have part of the personnel organization already established. This money would go largely for contracts with vocational schools for additional training over short periods for Indian young people; for transportation; for immediate use of families and others who are encouraged to go out on the job in the way of grants, and that type of thing.

I think out of the total of $8 million, the general assistance program I have just been discussing, about $6,793,500 would go to that phase of the program. A total of approximately $1,700,000 for personnel and other expenses involved in this increased program.

INDIANS RESETTLED IN 1952

Mr. NORRELL. Just give us a brief statement of how many Indians you have permanently resettled during this last fiscal year.

Mr. MYER. Well, for the last 6 months—I don't have it for the fiscal year, but for the period of July 1 to November 1, the best figure we can get, there were about 3,100 from July to around the first of December.

Mr. NORRELL. That covers approximately a half year?

Mr. MYER. That is right.

Mr. NORRELL. Now, if we appropriated $80,000 for this item, assuming that you had spent half of your appropriation, that would be $40,000.

How much would that be that the Government was out for each one you permanently resettled?

Mr. MYER. I haven't figured that.

Mr. JENSEN. It is $13 per person.

INDIANS RESETTLED IN 1953

Mr. NORRELL. Do you know how many you will resettle in this coming year?

Mr. MYER. We hope there will be 4,000 adults that will receive training and get permanently settled with their families. Just how many people would be involved I am not sure, some will be single people and some family people.

I would like to say, Mr. Norrell, that we believe very strongly from past experience that we have had, if we can get a group of these people really moving into permanent jobs with skills where they feel secure and they begin to get a nucleus into a number of areas, that we can attract a great many more people at less cost in the future.

Mr. NORRELL. I helped support this program and I still think it is good, but I do believe we are going to need to reduce the Indian population within the jurisdictional area. We can't work it any other way. When you send them out you necessarily have to reduce here and so far you are not doing that.

Mr. MYER. I would like to add this, Mr. Chairman. We feel that this is the opportune time to encourage these people to move out in the stream when the manpower is such that you can get assistance for training, you can find opportunities for them and get them established now which would be very, very difficult to do if you hit a period of depressed employment and it is one of the reasons we feel we should hit it hard right now and do our best to move it ahead when employment conditions are such that the demand is good.

THURSDAY, JANUARY 17, 1952.

MAJOR HEALTH-PROBLEM AREAS

Mr. KIRWAN. The meeting will come to order.

Mr. JENSEN. Mr. Myer, I wish you would give the committee a list of the Indian reservations where we find the biggest problems in health, starting with the Navajo Reservation. Can you give them to us right now?

Mr. MYER. Yes; I can give you a general summary statement right now.

Mr. JENSEN. Also, I would like to know the number of Indians in each reservation.

I would also like to know the sickness record of each reservation insofar as hospital needs are concerned. You may go right ahead.

(The information requested is as follows:)

Hospitalization record in relation to population by areas for Indian-service hospitals

Area	Population [1]	Number of hospitals	1952 number of beds	Average daily patients, November 1951
Aberdeen	47,792	10	309	265
Albuquerque	17,257	6	222	237
Anadarko	26,202	4	216	200
Billings	20,941	5	96	80
Juneau	35,000	7	451	347
Minneapolis	50,027	6	96	82
Muskogee	89,892	4	265	276
Phoenix	32,601	10	330	319
Portland	24,940	3	315	318
Sacramento	21,551	1	15	7
Window Rock	64,000	6	396	364
Total	430,203	62	2,711	2,495

[1] This data represents the number of Indians under the jurisdiction of Indian agencies located in the respective areas. The information was compiled from the 1944 census report, as the recapitulation of the 1950 census information will not be available until after July 1, 1952.

The foregoing information on hospital occupancy does not reflect all health needs of the Indians. In addition to serving bed patients, the hospitals have large out-patient loads. For example, the hospitals in the Albuquerque area gave 10,756 treatments to 8,554 patients; the hospitals in the Anadarko area gave 7,906 treatments to 4,837 patients; and the hospitals in the Billings area gave 11,009 treatments to 8,221 patients, all in the period July 1 to September 30, 1951. In addition, public-health murses, doctors, and dentists visit the Indians in their homes aiding the ill and doing general disease preventive work.

NUMBER OF SCHOOL-AGE INDIANS

Mr. JENSEN. Can you tell us the approximate number of Indian children of school age?

Mr. MYER. I will say, first, Mr. Jensen, that the detail regarding population and youngsters of school age, I will have to supply for the record.

Mr. JENSEN. Do you know about how many?

Mr. MYER. I do not have those offhand for each reservation. I can tell you for the Navajo.

Mr. JENSEN. Do you have someone here with you who knows how many Indians are in each reservation, approximately?

NAVAJO

Mr. MYER. I just do not have the record with me, and it is a little hard to carry it around in my head. We can supply if for you rather quickly, but I cannot give it to you offhand.

I will say this: That in the Navajo Reservation and in the surrounding areas, where there are about 14,000 Navajo just to the east of the reservation, I would say they are about 65,000 total population.

Mr. JENSEN. How many children of school age are in the reservation?

Mr. MYER. I believe the figure is approximately 24,000, as I remember it, and there are about 10,000 or 11,000 in school now, and about 14,000 that have not been in school.

Mr. JENSEN. Eleven thousand in school?

Mr. MYER. Approximately that; yes. There are around 14,000 that are not in school, or have not been. There will be some of those in school in the coming year.

Mr. JENSEN. What is the next largest reservation?

OKLAHOMA

Mr. MYER. Well, the next largest area is eastern Oklahoma, where there are estimated to be 64,000 Indians.

Mr. JENSEN. About how many Indians?

Mr. MYER. About 64,000, I think, is the estimate that has been given to me.

Mr. JENSEN. The Indians there are composed of how many civilized tribes?

Mr. MYER. Five in eastern Oklahoma, and there are about 19 tribes or groups in western Oklahoma under the Anadarko office.

Mr. JENSEN. Is that an Indian reservation?

Mr. MYER. There were a number of reservations at one time, but they are no longer considered such because the reservation lines were eliminated. The land generally has been allotted in that area.

Mr. JENSEN. There are approximately 64,000 Indians?

Mr. MYER. That is the estimate, as I remember, of the eastern Oklahoma Indians. Some 110,000 for all of Oklahoma.

Mr. JENSEN. What is the next one?

SIOUX AREA

Mr. MYER. The next largest area that includes a whole group of reservations is the Sioux area in North Dakota and South Dakota. The area is divided into a number of reservations. In South Dakota you have the Sisseton, Rosebud, Pine Ridge, Cheyenne River, and Standing Rock reservations, all of them Sioux Reservations.

Mr. JENSEN. How many Indians?

Mr. MYER. I will have to get the figure on that because I just do not remember how many there are in South Dakota offhand.

Mr. JENSEN. How many would you estimate? Somebody here probably knows.

Mr. PROVINSE. There are about 30,000.

Mr. JENSEN. What is the next?

Mr. MYER. You understand this includes several reservations in South Dakota.

Mr. JENSEN. I understand that.

ARIZONA, EXCLUDING NAVAJOS

Mr. MYER. Arizona, outside of the Navajo, has a number of reservations.

Mr. JENSEN. Do you remember the figure on the population, the rest of the population?

Mr. PROVINSE. The rest of the population in Arizona would be about 28,000, I would say.

Mr. MYER. That is outside of the Navajo country.

Mr. JENSEN. What is the next one?

ALASKA

Mr. MYER. I am not sure that I am getting these in order, Mr. Jensen, but I am getting them as they occur to me as being important areas.

Alaska is one of our very important areas now. About 35,000 Eskimos, Aleuts, and Indians are in that area.

NEW MEXICO, EXCLUDING NAVAJOS

In New Mexico, outside of the Navajo country, there are, of course, the Pueblos and part of the Apache Tribes.

Mr. PROVINSE. Which one is this?

Mr. MYER. New Mexico, outside of the Navajo.

Mr. PROVINSE. About 18,000.

Mr. JENSEN. What is next?

NORTH DAKOTA

Mr. MYER. North Dakota.

Mr. JENSEN. I have North Dakota and South Dakota.

Mr. MYER. That estimate for 30,000 was just South Dakota; was it not?

Mr. PROVINSE. Yes.
Mr. MYER. We should add North Dakota to that then.
Mr. JENSEN. How many?
Mr. PROVINSE. About 10,000 more, I would say.

OTHER AREAS

Mr. MYER. Montana should be next.
Mr. PROVINSE. About 18,000 in Montana.
Mr. MYER. Wyoming.
Mr. PROVINSE. 4,000.
Mr. MYER. California about 24,000.
Oregon, Washington, and Idaho are in one area. I am not firm on my figures on those. Are you able to give a figure by States or for the whole area, Mr. Provinse?
Mr. PROVINSE. Probably 25,000 would cover all three States.
Mr. MYER. Now, we have, in addition to that, scattered groups and tribes in Nebraska, Florida, North Carolina, Mississippi, Texas, Kansas, Utah—which I forgot to mention, incidentally—and Nevada. In Minnesota there are about 12,000, and we have Wisconsin with about the same number.
Mr. JENSEN. They are scattered small tribes?
Mr. MYER. Some of the States I mentioned would not embrace scattered small tribes, because there is a rather large group in Minnesota, Nevada, and Utah. I forgot to mention those.
Mr. JENSEN. Most of them are quite self-supporting?
Mr. MYER. No, all of these are getting some services. They are varied in the amount of support that they are getting.
Mr. JENSEN. They are limited?
Mr. MYER. That is right.
The total estimate we have been giving for Alaska and the United States is about 435,000.

INDIANS NEEDING FEDERAL AID FOR SCHOOLS AND HOSPITALS

Mr. JENSEN. How many Indians would you estimate should have Federal aid insofar as schools and hospitals are concerned on the Navajo Reservation?
Mr. MYER. On schools——
Mr. JENSEN. That is 24,000?
Mr. MYER. It is 24,000 or 25,000. I do not remember the exact figure, but that is approximately correct.
On hospitalization, the whole population is eligible to medical service and hospitalization in that area.
I might point out, Mr. Jensen, that in the case of the Navajo there was a treaty in 1868 which provided that teachers would be provided for every 30 youngsters in schools, which we have never been able to meet. There was no great interest in having it met up until the last 5 or 6 years. Since World War II a tremendous interest has developed in education there, and we have not been able to meet the demand. Before that time, even though we provided schools, we were not always able to get the youngsters to go to school.
Mr. JENSEN. We went into that question pretty thoroughly in 1948 when I was chairman of the committee. We had hearings for about

10 days, most of them applying to the Navajo Reservation. That is when we really found out what the real condition was down there and we began trying to do something about it.

Mr. MYER. I think we have made some good progress, incidentally, since that time.

SCHOOL PROBLEM IN OKLAHOMA

Mr. JENSEN. In Oklahoma the school problem is not very great, I understand.

Mr. MYER. We have a State contract with Oklahoma, and all of the youngsters who are in a position to go to public schools are eligible to go to public schools.

As I remember the figure I was given when I was out there about a year ago, it was about 9,000 in public schools under the State contract.

In addition to that we have a problem which is highly important to me. We have a number of Indian schools, vocational and otherwise, in Oklahoma. Some have been developed over the years and some are our better and more modern schools, such as Riverside, and Fort Sill. We have 2,846 children enrolled in the Oklahoma schools, most of whom are youngsters who are orphans or youngsters from broken homes or youngsters from poverty-stricken homes. I believe some of the youngsters should be in the public schools and it is one of the reasons why we are asking for an additional amount in our welfare fund for assisting in foster home care for many of these youngsters. Their removal would make additional space in some of those schools available for additional Navajo youngsters who have not had an opportunity to go to school at all. We have some Navajo youngsters in some of the Oklahoma schools now.

As I remember, we have more than 4,000 Navajo youngsters in schools away from the reservation, about 2,150 at Intermountain in Utah, and about 2,000 in other schools.

PROSPERITY OF OKLAHOMA INDIANS

Mr. JENSEN. A large portion of the Indians in Oklahoma are well able to take care of themselves, as I understand. Some of them are quite well to do.

Mr. MYER. There are some Indians who are, yes.

Mr. JENSEN. They have pretty well amalgamated with the white people down there.

Mr. MYER. There are one or two general exceptions to that, Mr. Jensen. In eastern Oklahoma there are probably 35,000 Indians who are living in a pretty isolated area under pretty poverty-stricken conditions.

On the other hand there are many Indians in the State who are in very prominent positions such as justice of the State supreme court. However, there is still a definite problem in the hills area of eastern Oklahoma where we have a good many poverty-stricken Indians who still need a great deal of help.

We have, in the western part of the State, still a very sizable group of Indians, the 19 tribes and groups that I mentioned who own a great deal of trust land. Practically all of it is allotted land which is still in trust status. Many of them are still living in pretty much of a primitive situation.

We are providing in those areas hospital services, medical services, school services other than those provided by the State and local school districts for certain types of youngsters and, of course, we still have some responsibility for roads, soil conservation and other activities.

Mr. JENSEN. I have been informed that about half of the Indian population of Oklahoma are ready for complete emancipation.

Mr. MYER. There are a good many people with Indian blood in Oklahoma, who are doing very well without any assistance at all from the Burau of Indian Affairs.

CONDITIONS IN THE DAKOTAS

Mr. JENSEN. Now, in North and South Dakota, with the exception of possibly one or two bad spots, the Indians there are getting along rather well and could get along rather well under their own power; is that a fact?

Mr. MYER. Some of them are doing pretty well. Most of the Indians living in South Dakota, however, are still living on reservations under pretty primitive conditions insofar as the resources generally are concerned.

Mr. JENSEN. What is that large Indian reservation I visited?

Mr. MYER. Probably Pine Ridge.

Mr. JENSEN. That is right.

PINE RIDGE RESERVATION

Mr. MYER. The Pine Ridge Reservation is the largest one. For a large portion of it there has been no organization of county government. Part of it lies in the county that has been rather recently organized, but in the west end of it there is no organized county government. It is attached for rather limited services to a county to the north.

In other words, it comes near being in the general situation that the large Navajo Reservation is in, and some of the other reservations we have. It has been a problem working out a transfer of responsibilities such as to school districts and so on, since we have no one to deal with directly within the area. However, I think some progress has been made and I think a great deal more can be done.

ROSEBUD RESERVATION

The Rosebud Reservation, which is just to the east, is also a sizable reservation. We are making progress in the gradual transfer of certain functions. We still have a large boarding school there serving pretty much the same function as the other boarding schools I have mentioned for youngsters who come from broken homes, or orphans, or youngsters who have problems otherwise, and possibly from homes who cannot afford to send their youngsters to school, or do not have the clothing.

But over 50 percent of the Rosebud school population is now in public schools under agreements we have with the State. We have

a hospital providing medical services and, of course, we have the problem of roads, trust lands, credit, and all the attendant problems.

The same thing is true in general with the Cheyenne River Reservation and the Standing Rock Reservation. Fort Yates, N. Dak., is the headquarters of the latter reservation but much of it lies in South Dakota.

Sisseton is a small reservation lying to the east about 100 miles from Aberdeen. That is one of the few that I have not visited yet. The lands in that area are better from the standpoint of productivity. We still are providing medical and school services there, and we are trying to work out a program of transfer of the hospital there to the community under a contract for services. We have made some progress.

PRODUCTIVITY OF LAND

Mr. JENSEN. Speaking about productive land, I could not help but notice when I was out there a few years ago, the land on which the Indians are asked to make a living is no where near as productive as the land owned by private farmers.

Mr. MYER. That is true.

Mr. JENSEN. It is true for the very simple reason that we have paid very little attention to building up the soil.

Mr. MYER. I think, Mr. Jensen, there are two reasons.

Mr. JENSEN. It gets right back to the old question of fertility of the soil. In any Indian reservation or any place else in the world where you see poor soil, you see poor people.

Out there in South Dakota, especially, I noticed the grassland was very poor and the crops they were trying to raise looked mighty sick. Yet there were some farms at the very border of that area that looked very good and the grass was a lot better. It showed that somebody had been paying some attention to the fertility of the soil. No one had paid any attention to the Indian lands. They had become poorer and poorer every year and the Indian problem became greater and greater.

Mr. MYER. I would like to say this, that I would be the last one to argue with you about the question of paying attention to land because I think you know how deeply I feel about sound land development and conservation activities and it is true that for a great many years very little attention was paid to that particular problem. It has only been since about 1930 that we have had extension agents and folks who are devoting definite attention to teaching Indians regarding the use of the land and it has only been since about 1934 and more definitely 1939 that the Indian Service has had any conservation program.

Mr. JENSEN. You might just as well say, Mr. Myer, that until the last very few years there was absolutely nothing done to build up the soil on public lands.

That is all.

Mr. KIRWAN. Mr. Jackson?

Mr. JACKSON. I have no questions.

RESOURCES MANAGEMENT

Amounts available for obligation

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate	$10,779,576	$11,471,360	$18,372,000
Proposed supplemental due to pay increases		388,000	
Reimbursements from other accounts	185,206	125,000	125,000
Total available for obligation	10,964,782	11,984,360	18,497,000
Unobligated balance, estimated savings	−97,505		
Obligations incurred	10,867,277	11,984,360	18,497,000

Obligations by activities

Description	1951 actual	1952 estimate	1953 estimate
1. Forest and range lands	$1,551,417	$1,856,860	$3,418,000
2. Fire suppression	147,948	140,000	140,000
3. Agricultural and industrial assistance	1,433,740	1,808,118	2,411,000
4. Soil and moisture conservation	1,572,465	1,490,004	4,050,000
5. Operation, repair, and maintenance of Indian irrigation systems	801,076	854,000	854,000
6. Repair and maintenance of roads and trails	2,378,929	2,395,000	2,395,000
7. Development of Indian arts and crafts	44,186	44,513	48,000
8. Management of Indian trust property	1,130,105	1,245,844	2,151,000
9. Repair and maintenance of buildings and utilities	1,807,411	1,850,021	2,730,000
10. Weed control		300,000	300,000
Obligations incurred	10,867,277	11,984,360	18,497,000

Obligations by objects

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions	1,381	1,451	1,847
Full-time equivalent of all other positions	670	664	995
Average number of all positions	1,901	1,966	2,747
Average salaries and grades:			
General schedule grades:			
Average salary	$4,105	$4,632	$4,504
Average grade	GS–6.7	GS–6.9	GS–6.6
Crafts, protective, and custodial grades:			
Average salary	$3,459	$3,783	$3,839
Average grade	CPC–6.6	CPC–6.5	CPC–6.5
01 Personal services:			
Permanent positions	$4,835,494	$5,797,498	$7,734,054
Part-time and temporary positions	1,807,385	1,766,430	2,683,332
Regular pay in excess of 52-week base		22,299	29,675
Payment above basic rates	47,943	37,855	49,235
Total personal services	6,690,822	7,624,082	10,496,296
02 Travel	265,388	324,865	491,665
03 Transportation of things	89,261	103,538	191,968
04 Communication services	45,524	52,797	66,007
05 Rents and utility services	207,934	206,077	244,392
06 Printing and reproduction	7,302	13,794	14,909
07 Other contractual services	783,432	976,556	1,898,556
Services performed by other agencies	148,305	79,487	171,487
08 Supplies and materials	1,920,300	1,972,913	3,193,473
09 Equipment	839,296	572,738	1,392,129
10 Lands and structures	2,523	250,000	250,000
11 Grants, subsidies, and contributions	74,500	52,000	336,605
15 Taxes and assessments	1,824	730	730
Subtotal	11,076,411	12,229,577	18,748,217
Deduct charges for quarters and subsistence	209,134	245,217	251,217
Obligations incurred	10,867,277	11,984,360	18,497,000

Analysis of expenditures

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year		$1,734,637	$1,820,997
Obligations incurred during the year	$10,867,277	11,984,360	18,497,000
	10,867,277	13,718,997	20,317,997
Deduct:			
Reimbursable obligations	185,206	125,000	125,000
Unliquidated obligations, end of year	1,734,637	1,820,997	2,892,997
Total expenditures	8,947,434	11,773,000	17,300,000
Expenditures are distributed as follows:			
Out of current authorizations	8,947,434	9,665,363	15,585,000
Out of prior authorizations		1,734,637	1,700,000
Out of anticipated 1952 supplemental due to pay increases		373,000	15,000

Mr. KIRWAN. We will move now, Mr. Myer, to resources management on page 46 of the justifications.

I see where you are asking for an increase in resources management. Last year you had $11,471,360. You are now asking for $18,372,000, which makes a total increase of about $6,900,000.

FOREST AND RANGE LANDS

For forest and range lands, you are asking for an increase of $1,545,881.

Mr. MYER. Yes, Mr. Chairman. The increases in forest range land, Mr. Chairman, are expected to be used for timber surveys which we feel are badly needed to lay the ground work for additional cruising which can be speeded up in areas where timber has matured and where it ought to go on to the market.

The amount for surveys is $150,000. The forest management and timber sale administration is another item which is being requested, and that is badly needed in order to speed up the sale of timber which is mature and ready for sale. I might say that any increase that is given for that particular item is not an outgoing expenditure on the part of the Government because a charge is made for services and the full amount would come back into the Treasury for that particular service.

On range management we are requesting an opportunity to provide 40 permanent range conservationist positions and other expenses for better management of Indian range resources. This goes to the item Mr. Jensen was talking about. We feel we do need better management in that area. There are approximately 45 million acres of Indian range land providing grazing for approximately 975,000 cattle and we feel we need additional assistance in handling that program.

Now, we have a breakdown here, if you are interested, as to the various areas. It is in the justification and I will not give it unless you are interested.

Fire presuppression involves the employment of fire-control aids on a seasonal basis in order to avoid fires rather than put them out after they start.

Mr. KIRWAN. That all comes under forest and range lands?

Mr. MYER. Yes.

Another item which is highly important is the increase to be allotted for the development of range water supply, a total of $600,000 increase. This would be ticketed entirely for the Navajo-Hopi, the United Pueblos and the Papago in Arizona. These are areas that have been badly stricken by drought in recent years. They have had to dispose of some of their livestock because of the lack of water. We think it is highly essential to the conservation of the range, as well as to the development of their resources.

AGRICULTURAL AND INDUSTRIAL ASSISTANCE

Mr. KIRWAN. In agricultural and industrial assistance you are asking for an increase of $582,018.

Mr. MYER. That is correct. That breaks down as follows: An increase in agricultural extension of $64,829, which will go toward the replacement of some extension people that had to be eliminated or positions that had to be eliminated this past year as a result of the reductions made in that item in the appropriations bill.

"Credit operations," $186,331, which we feel is highly essential to aid in supervising the expanded credit program and to give the help that is necessary in that activity.

"Economic development," $248,300. I believe that is almost entirely for the Navajo program in assisting them in developing their business enterprises.

In program planning there is $46,548. That would supplement the item of the $233,000 we have this year.

SOIL AND MOISTURE CONSERVATION

Mr. KIRWAN. For soil and moisture conservation, you are asking for an increase of $2,543,728.

Mr. MYER. That is correct.

That is an item that we feel very strongly is needed and have felt so for sometime.

It would provide for the intensification of programs in a number of areas and the starting of a new program in a limited number of areas. It is simply the expansion of the program that has been under way for a number of years and provides about the amount of money that we think we can utilize effectively in expanding this program in 1 year.

It simply speeds up the process of covering the areas that should be covered with soil conservation plans and in the execution of soil and water development plans on a much more intensive basis.

I would just like to say one other word, Mr. Chairman, if you do not mind. There is $2,234,428 of this item to be used for the intensification of the program already in operation; the initiation of new programs would involve $297,300, and then there is a small item of $12,000 for helping to complete a survey of the Arkansas, Red, and White River drainage problems.

MANAGEMENT OF INDIAN AND TRUST PROPERTY

Mr. KIRWAN. For management of Indian and trust property, there is an increase of $879,500.

Mr. MYER. That is correct. That is in a little different category.

One of the major responsibilities of the Bureau of Indian Affairs is the supervision of trust properties, including around 56 million acres of trust lands, a fair portion of which is in allotted acreage and much of which is getting into what we call "heirship status" where there is fractionation due to the inheritance of original allotments.

We also have many applications for fee patents in those areas which we have been unable to keep up with. We have a real problem in States like California where we are trying to get out of business where it requires additional surveys, an intensification of the program on a much larger scale in order to conduct land sales, conduct surveys, work out the divisions of the lands with the Indians involved or to work out procedures of turning it over to them as groups.

This item also includes the supervision of individual Indian moneys which comes in from leases and certain other trust responsibilities. I would just like to say, Mr. Chairman, that that item is important because we have not been able to serve adequately the Indians or the public who are interested in the sale and other land actions.

I was told when I came into the Bureau that we had a backlog in our Washington office of land actions that would involve 2½ years' work for the staff we then had, so we are trying to clean up the backlog; we are trying to get current and we are trying to expedite the disposal of those lands where Indians, such as the Grand Ronde Siletz group in western Oregon, want to get themselves and the Bureau out of business. At the same time we want to try to expedite service to the other Indians.

There is one other item I want to mention in that connection. We have had an intensification of land work in recent months, in some areas, because of mineral and oil developments. Because of new fields that seem to be coming in, we have been unable to keep up with the requests coming along with regard to the review of mineral leases and the supervision and sale of royalties and other things of that nature that are being requested.

I think that pretty well summarizes that item.

REPAIR AND MAINTENANCE OF BUILDINGS AND UTILITIES

Mr. KIRWAN. For repair and maintenance of buildings and utilities, there is an increase of $867,626.

Mr. MYER. We have very little change in the number of buildings or square footage. The estimate is based on a square foot figure.

Last year the figure that was allowed was 8.4 cents plus. In 1953 we believe that we should have 12.23 cents per square foot for an area of 22,320,845 square feet.

Last year we had 22,100,300 square feet. That increase is due to the completion of some new schools and rehabilitation of schools in the Navajo country and completion of the hospital at Anchorage and certain other areas that will require some maintenance.

My point is that the big increase results from the gradually increasing costs of labor and materials that have been coming along in the last 3 or 4 years. We have not been able to keep up and this is simply an effort to get current on our maintenance work.

Mr. KIRWAN. Mr. Jackson, have you questions?

Mr. JACKSON. I have no questions.

Mr. KIRWAN. Mr. Jensen.

Mr. JENSEN. Of course, I don't have to tell any member of this committee or a member of the Indian Bureau that you have the basis of solution to the Indian problem, in the building up of the soil and the natural resources of the Indian reservations.

FOREST AND RANGE LANDS

Mr. JENSEN. What do you propose to do with the $3,418,000 for forest and range land? How do you propose to spend it?

Mr. MYER. It is broken down in this manner: For forest and range management as such there would be an increase of $710,881.

That would include $150,000 for timber surveys—We have a detailed statement on each of those.

It shows that the increase for range management would involve an increase of 40 permanent range conservationists which we feel we badly need in those range areas.

Mr. JENSEN. What are you going to do with it? That is what I want to know.

Mr. MYER. It is simply to intensify the aid and supervision that can be given to range operations through providing range conservationists. In connection with timber management it would include better supervision of the timber stands, the cruising of timber for sale of timber and on a sustained-yield basis, and to provide the additional personnel to provide for additional cuts where timber is mature.

Mr. JENSEN. How many acres of timberland do you have?

Mr. MYER. Timber and range is between 48 and 49 million. Forest lands alone total 16 million acres.

SAWMILLS OWNED BY INDIANS

Mr. JENSEN. You have some sawmills in the Navajo Reservation owned by the Indians.

Mr. MYER. They are doing very well. They are now considering putting in another mill in an area to the east of the present mill because of transportation problems in getting logs to the mill. A survey is under way now as to the amount of timber that is available and the quality of the timber to see whether it would justify putting in another mill and I think they probably will put in another large mill in that area.

The other big increase is the range water supply, of $600,000, all of which is intended for use in the Navajo-Hopi country, the Papago country and the United Pueblos country in Arizona and New Mexico. That is needed to provide a basis for better range management and at the same time for better utilization of range in areas where water supplies haven't been adequate.

Mr. JENSEN. What does the Government get out of the sawmill operation?

Mr. MYER. The Government gets nothing out of the sawmill operations as such.

TIMBER SALES

In connection with the timber sales, a charge is made which comes back into the Treasury for the cost of administering timber sales, of about 10 percent.

Mr. JENSEN. What does that amount to annually?

Mr. MYER. About $400,000, approximately. That is the income back to the Treasury out of this item. I believe that was the figure last year. I believe the exact figure is $411,000.

FOREST FIRES

Mr. JENSEN. Do you have many fires in the forests of the Indian land?

Mr. MYER. We had some fires last year; yes. On page 55, Mr. Jensen, you will note that in the calendar year—I don't have it for the full fiscal year 1951, but for the calendar year 1950 there were 952 fires as compared with 1,026 in the 5-year average previous to that time. The average area per fire was 94 acres as compared with 121 acres on a 5-year basis.

Total area burned was 89,163 acres, as compared with nearly 124,000 on the 5-year average.

Mr. Greenwood points out that we have had more fires since July 1, 1950, for the first 6 months. And some of them rather bad. We have had a total of 696 fires in the 6-month period, due to some very dry weather in certain areas. California and the Southwest have had quite a bad situation.

There is total damage of $181,000 plus, and the obligations in regard to those fires were around $332,000 Treasury funds and $29,450 of tribal funds.

Mr. JENSEN. We are not making much headway in stopping fires; are we?

Mr. MYER. Of course, you won't ever be able to stop all fires. The big problem is to prevent them where possible. I think the record is pretty good when you consider the facilities we have, and we are working very closely with the States and with the Forest Service, but there will always be lightning fires and certain other types of fires. The problem is to catch them quickly, suppress them before they get under way, and to keep the damage down to a reasonable amount.

AGRICULTURAL AND INDUSTRIAL ASSISTANCE

Mr. JENSEN. Now you ask for $2,411,000 for "Agricultural and industrial assistance."

Will you tell what comes under that heading.

Mr. MYER. I will be very glad to. The increase there is an increase of $64,829 for "Agricultural extension" work, including both home-demonstration work and extension agents to assist in farming and stock raising.

$186,331 for "Credit operations." $284,310 for the economic development program in the Navajo-Hopi country, and $46,548 to supplement our program-planning operations which this committee authorized last year.

We have a detailed justification here.

The first item relating to "Agricultural extension" is the replacement of positions eliminated last year as a result of reductions received in the Senate action, and the establishment of some additional home-demonstration agents in areas where we feel they can do a most effective job.

The "Credit operations" involve some increases in the general supervision of credit activities throughout the whole field area. We

have recently separated our credit and extension activities and are trying to get our extension people to devote more time to actual extension work rather than the collection of credit funds, and we are asking for 31 additional positions for the supervision of credit work. In all the areas except two there would be an increase of one or more people in the number of people available.

SOIL AND MOISTURE CONSERVATION

Mr. JENSEN. I am pleased to see that you are asking for a more proper amount for soil and moisture conservation to be used on Indian lands—$4,050,000. Of course, it is still only about 7 cents an acre. How many acres do you have.

Mr. MYER. There are approximately 56 million acres over-all in trust property that we are supervising.

Mr. JENSEN. That includes Alaska; does it not?

Mr. MYER. No. Practically all of our trust lands are in the continental United States.

ACREAGE OF RESERVATIONS

Mr. JENSEN. How many acres of land are there in the Indian reservations?

Mr. MYER. There are approximately 56 million acres, Mr. Jensen, of all types of land, as nearly as we can estimate at the present time, within reservations and held in trust for Indians.

Mr. JENSEN. Exclusive of Alaska?

Mr. MYER. Yes; exclusive of Alaska.

You may be interested in a little further breakdown on that.

Within those lands there are approximately 17 million of trust allotted which is individually held by Indians in trust by the Government; 37,500,000 tribal lands and about 1.5 million of Government-owned land which was land bought during the sub-marginal-land program.

One other set of figures that may interest you: There are about 400,000 acres of irrigated land. There are about 3 million acres of dry-farming land and approximately 52 million acres of grazing, forest, and other types such as barren and waste land.

I think, Mr. Jensen, you may also be interested in a breakdown we have on page 66 of the justification which shows the degree of erosion that we estimate we have in these lands. There are 13,864,000 acres of critical erosion. That involves nearly 25 percent of the land.

Severe erosion on 17 million acres. There is moderate erosion on 17,916,000 acres, and slight erosion on 7,399,000 acres.

Mr. JENSEN. I see you have Mr. Flory here, who is in charge of the Soil Conservation Branch of the Indian service.

USE OF FUNDS FOR SOIL CONSERVATION

I would like to ask Mr. Flory to tell the committee just how he proposes to spend this $4,050,000 and where.

Mr. FLORY. We have 34 reservations upon which we have a program. I don't mean, by that, that we have a full program. On some of those, we just have one man. On 13 reservations we hope to put some staff for the first time.

On many of those reservations where we have just got one or two men, they have been unable to do much more than acquaint the In-

dians with their erosion conditions and what can be done about it. There is a tremendous backlog of requests from those people for engineering and soil advice and planning to show them how to get that job done. The policy of all irrigation including reclamation in the past has been just to bring water to the highest point on a farm. The man had to develop a farm and irrigation distribution system and make the best use of water he could.

The past history of our white irrigated districts has been that two men failed and the third man made a success because he had the development done by the previous two upon which to work.

Now, the Indians did not have an equal advantage in technical training, in credit, and in equipment to take this land to which water had been brought, develop it and make a living on it.

Very poor use is being made of our irrigated lands by Indians. Much of it they have tried to do something with and failed and then leased it because they were unable to get anything out of it.

NEED FOR TECHNICIANS AND ENGINEERS

On the few reservations where we have been able to put soils technicians and engineers in the last few years, the demand for that kind of service has just pyramided. On one reservation we had 16 contractors working last year in leveling land.

In many of those cases, the production has gone from $10 and $20 an acre, up to as high as $300 an acre.

Mr. JENSEN. That is over a period of how many years?

Mr. FLORY. That has been done in 1- and 2-year periods in those cases.

Mr. JENSEN. There is your answer, gentlemen, right there.

Mr. FLORY. That land was uneven and humpy, and in some areas it drowned out and others didn't get enough water. It was never properly irrigated. There was leaching and accumulation of salts, and the crops that were planted didn't germinate properly, didn't grow properly, or didn't mature properly. When they got such fields leveled and a good distribution system put in, they got a uniform stand and accompanying that, of course, in some cases we applied gypsum, phosphate, and other soil amendments that were necessary to put that land in a productive condition.

There is a tremendous demand in that respect.

On the dry lands there is a similar demand for terracing and contour-strip cropping.

You are familiar with the Winnebago Reservation, for example.

We have actually doubled, in 5 years' time, the production on that reservation. We could formerly see on top of the hills yellow nitrogen-starved stunted corn because of removal of surface soil by erosion.

RESULT OF STRIP FARMING

Mr. JENSEN. You are doing strip farming there to some extent?

Mr. FLORY. We are doing strip farming there. I don't think there is an area in the United States putting as much legume on the land as there. Half the cropland on that reservation was in a soil-building crop last season.

I was there soon after a 3-inch rain last summer and in some cases on other than Indian land where the rows were planted up and down the hill, the roads were covered up by sediment. It had washed down and covered the road.

We went into the contour-farmed lands and we never found where the water broke over more than four or five rows.

You could look across those fields and you could see no stunted yellow nitrogen-starved corn on the hilltops because strip cropping and contour cultivation had stopped the removal of soil by erosion and soil-building legumes had restored fertility.

Those are the situations where the money will be used.

Mr. JENSEN. Some of that land a few years ago wouldn't raise beans; would it?

Mr. FLORY. The oats yield on much of that land was 10 bushels to the acre and the corn was 12 and 15. It has been more than doubled, and on some of those farms, where the farmers have been carrying out these practices for 5 years, they have raised their corn yield to nearly 60 bushels to the acre.

Mr. JENSEN. That is wonderful. When you get that kind of production in an Indian reservation—and we can get it in a lot of places with a little effort and a little money—your Indian problem will just fade away.

I remember that letter that an Indian wrote to you, Mr. Flory, a copy of which you sent me. He said that since he had practiced soil conservation he didn't want any more help from Uncle Sam.

Do you remember that?

Mr. FLORY. Yes.

Mr. JENSEN. He was getting along fine.

ENCOURAGING INDIANS TO PRACTICE SOIL CONSERVATION

Now do you, Mr. Flory, go out in these Indian reservations and call the Indians together, the Indian farmers and the Indian merchants, or whoever is in the Indian reservation, as well as the whites, explain to them the great value of soil conservation and explain how it is done, and urge them to get busy and practice soil conservation? Do you make that one of your jobs?

Mr. FLORY. That is exactly what our men are doing. One of the most effective things developed in the last 2 or 3 years has been the organization of Indian soil-conservation enterprises. Where we have the Indians organized in the enterprise to carry out this business of doing the conservation job. They take the responsibility for it.

In the basic soil-conservation law, we can turn over equipment to them. We have turned equipment over to them whenever they are organized, and they also buy seed and they contract to do conservation work out on farms and arrange with PMA to get partial repayment for such work. These Indian enterprises that have been formed have been very effective.

Then we have worked closely with soil-conservation districts. On two districts in the United States, two of the five district supervisors are Indians and on five others one of the five is an Indian.

In the Pueblos, during the past year, nine Indians were made members of county PMA committees.

That has been the result of the soil-conservation men bringing Indians together and talking to them and telling them what the problem was and getting them acquainted with the soil-conservation district, and getting them cooperating with the soil-conservation district officials and with the PMA.

Mr. JENSEN. In framing your budget request, Mr. Flory, did you make a list of the reservations upon which you proposed to spend this money?

Mr. FLORY. Yes. I didn't bring it along, but we have that listed by reservations.

Mr. MYER. May I say, Mr. Jensen, there is a list of the reservations where we expect to initiate new activities on page 72. We don't have the list of the 34.

Mr. JENSEN. Mr. Chairman, I would like very much to have that list inserted in the record because, if I am here next year, I want to know what the practice is and to what extent this work has been done in each one of those reservations that you have listed this year.

Mr. KIRWAN. You want that inserted in the record?

Mr. JENSEN. Yes.

Mr. KIRWAN. That will be done and at the same time put in pages 73 and 77.

(The information referred to is as follows:)

Distribution, $4,050,000 in 1953 budget for soil and moisture conservation, Bureau of Indian Affairs

Aberdeen area office	$430,000
Cheyenne River	[1] 50,000
Standing Rock	41,700
Crow Creek	[1] 23,200
Fort Berthold	46,700
Pine Ridge	86,000
Rosebud	94,800
Sisseton	[1] 24,500
Turtle Mountain	[1] 20,900
Winnebago	42,200
Albuquerque area office	600,000
Consolidated Ute	54,000
Jicarilla	100,000
Mescalero	35,000
United Pueblos	411,000
Anadarko area office	336,000
Osage	51,000
Potawatomi	[1] 15,000
Southern Plains	258,000
Survey—ARW River	12,000
Billings area office	400,000
Blackfeet	36,300
Crow	42,600
Flathead	[1] 21,600
Fort Belknap	26,300
Northern Cheyenne	[1] 15,300
Wind River	221,000
Fort Peck	36,900
Minneapolis	$50,000
Cherokee	25,000
Red Lake	[1] 25,000
Muskogee	400,000
Choctaw	13,000
Five Tribes	377,000
Seminole	[1] 10,000
Phoenix area office	711,000
Carson	35,000
Colorado River	47,500
Fort Apache	47,500
Papago	358,200
Pima	[1] 20,600
San Carlos	87,200
Truxton Canon	[1] 20,000
Uintah and Ouray	70,000
Western Shoshone	25,000
Portland area office	385,000
Colville	41,700
Fort Hall	58,400
Klamath	[1] 41,800
Northern Idaho	46,000
Umatilla	28,100
Warm Springs	28,500
Western Washington	[1] 33,100
Yakima	107,400
Window Rock area office	700,000
Central office	38,000
Grand total	4,050,000

[1] Locations where program will be initiated in 1953.

NOTE.—The individual amounts will be subject to adjustment to meet changes in program requirements.

TABLE I.—*Source of funds and degree of participation in the soil and moisture conservation program, Bureau of Indian Affairs*

Fiscal year	Funds available for soil and moisture conservation work					Accumulative total
	Soil and moisture conservation expenditures	Percent	Cooperator expenditures	Percent	Total	
1941	$848,238	47	$928,150	53	$1,776,388	$1,776,388
1942	722,304	43	930,090	57	1,652,394	3,428,782
1943	437,839	45	530,135	55	967,974	4,396,756
1944	477,891	37	817,893	63	1,295,784	5,692,540
1945	416,701	30	992,248	70	1,408,949	7,101,489
1946	521,437	31	1,167,049	69	1,688,486	8,789,975
1947	572,217	25	1,755,036	75	2,327,253	11,117,228
1948	836,195	29	2,015,688	71	2,851,883	13,969,111
1949	1,236,363	25	3,664,862	75	4,901,225	18,870,336
1950	1,256,973	12	9,581,100	88	10,838,073	29,708,409
1951	1,561,470	14	9,602,782	86	11,164,252	40,872,661
1952 estimate	1,506,272	12	10,616,000	88	12,122,272	52,994,933
Total 1941–52	10,393,900	20	42,601,033	80	52,994,933	
1953 estimate	4,050,000	20	15,974,000	80	20,024,000	

TABLE VI.—*Comparison of analyses of results of applying soil and moisture conservation practices at 17 agencies*

	1950	1951
Increased returns per acre due to conservation treatment:		
Amount per acre	$4.54	$4.95
Percent	30.5	37.17
Acres treated	4,051,820	5,055,237
Total increased production	$18,395,000	$25,031,182
Expenditures:		
Soil conservation funds	$677,238	$719,351
Cooperator funds	$4,995,924	$6,288,481
Ratio of soil conservation dollar to cooperator expenditures	1.00:7.38	1.00:8.74
Ratio of cooperator dollar to soil conservation expenditures	0.14:1.00	0.11:1.00
Increased farm production:		
Ratio of soil conservation dollar to increased production	1.00:27.15	1.00:34.80
Ratio of cooperator dollar to increased production	1.00:3.68	1.00:3.98
Ratio of total cost of soil conservation (soil conservation dollar plus cooperator dollar) to increased production	1.00:3.24	1.00:3.57

RESULT OF PRACTICE OF SOIL CONSERVATION BY INDIANS

Mr. JENSEN. I wish we could have some testimonials from some of those Indians who have really practiced soil conservation.

Do you have any letters now from Indians who have practiced soil conservation that explain the benefits?

Mr. FLORY. We sent for that kind of material and we just got it. My secretary got about four of them typed. There are about 1 dozen or 15 that I could give you.

Mr. JENSEN. Mr. Chairman, may we put those four in the record?

Mr. FLORY. These are summaries. They are not exact letters.

Mr. JENSEN. May I make that a part of the record here, Mr. Chairman?

Mr. KIRWAN. Yes, sir.

(The documents referred to are as follows:)

Soil conservation pays on farm lands at Winnebago Agency, Nebraska, in 1951

Crop	With no conservation		With 5 years of conservation		Increase, per acre
	Yield, bushels per acre	Value, per acre	Yield, bushels per acre	Value, per acre	
Oats	20	$16.00	40	$32.00	$16
Corn	25	37.50	45	67.50	30

Mr. Josecito Lucero, an Isleta Indian, by reason of his curiosity became a conservation farmer. A neighbor had a small adjoining field which was flooded with waste water from above after each irrigation. The land was soggy and tight and considered nonusable. Mr. Lucero became interested when he saw a good crop of sorghum growing on it. The neighbor, pursuant to SMC recommendations, had leveled, deep plowed and leached the land. The first year the 3.47 acres produced a double crop of hegari and wheat valued at $200.95. The next spring, the field was planted to oats and alfalfa. At the first cutting, it produced 190 bales of oat hay and at the second, 60 bales of alfalfa and at the third, 100 bales for a total of 14 tons valued at $437.50. But even prior to this, Mr. Lucero's interest prompted him to request a farm plan which he accepted. On the first field of 3 acres a drainage system was installed and the field leveled. Early in the spring the old alfalfa was plowed out, 200 pounds 10–20–0 fertilizer applied, and oats planted. Early in July, 440 bales of oats were cut weighing 37,400 pounds and valued at $570. In prior years the field produced 7½ tons of inferior quality hay. The gross profit on the first year's operation for the 3 acres was $345. Mr. Lucero is now putting conservation practices into effect on a second field.

Isleta Pueblo

In 1949, Mr. Eddie Jojola of Isleta Pueblo was tilling less than 10 acres for a gross annual production of less than $500. All the land was low in organic matter and fertility and much of it had a high salt content. Eddie asked for a farm plan. It showed the land should be leveled and the irrigation system revised. In making these changes, the acreage was increased from less than 10 to 14.5 acres. A green manure crop was seeded in the fall of 1949 and plowed under in the spring of 1950. In 1950, yields of corn, wheat and hegari showed excellent gains over previous production. The first year's return more than paid for the leveling and ditch reorganization. In 1951, which was an extra dry year, Mr. Jojola produced 65.25 tons of good alfalfa and oat hay which he sold for $2,283.75.

Zia Pueblo

At the Zia Pueblo, Indian farmers paid $70 an acre for leveling land early in the spring of 1951. Although the cost was high for these people, they are well satisfied. They planted a spring crop of wheat which even with the severe shortage of irrigation water produced an average of 29.3 bushels per acre. The normal production in prior years was 16.4 bushels. The increase of 12.9 bushels was worth $34.96.

Mr. JENSEN. I am just as sincere and anxious as I can be to get this program of soil and water conservation into operation.

Mr. MYER. Mr. Jensen we have no question about that and I would just like to say to you that we are quite delighted about this proposed increase. We feel that it is a reasonable increase in 1 year in view of the fact that it does take time to get people on the job and get them trained in the way of new techniques but I would just like to assure you that as far as I am concerned—and I am sure Mr. Flory will agree with me—that we are going to keep on asking the Bureau of the Budget for what we think we can use effectively as fast as we can use it, so that I hope we will be able to put figures before you that will help us to do an effective job.

I believe very deeply that this is one of the items that is definitely essential, in getting ourselves out of business in the Indian country.

I would just like to say one other thing: This whole series of items which we have just been discussing tie together very closely. The question of supervision of forest and range land, the additional handling of proper forest practices tie in with Mr. Flory's work in connection with the soil conservation practice in those areas and on the agricultural land very closely, so that in reality, the things that are discussed here including some of the irrigation work that have to do with development, go together more or less in one bundle.

REPAIR AND MAINTENANCE OF ROADS AND TRAILS

Mr. JENSEN. I am inclined to think we can get along with a little less money on repair and maintenance of roads and trails.

We do not farm the roads. I like good roads as well as anybody, but I think it is one place where we might save a few dollars.

Mr. MYER. I would just like to say this, Mr. Jensen, on that: We think we have a pretty limited fund in that area.

Now, the maintenance of these roads and trails is highly important from the standpoint of transportation, including getting youngsters to school where we have schools on the reservation where they are transported to day schools and to boarding schools, as well as the problem of opening up areas where they have been isolated in the meantime; getting out timber; the serving of hospitals where we are using ambulance service—it is pretty essential that we have reasonably good roads where we can get to people and get them out.

Of course, in the farming areas we have the farm-to-market road problem.

MANAGEMENT OF INDIAN TRUST PROPERTY

Mr. JENSEN. On management of Indian trust property, will you give us an explanation of that. You have an increase here of $879,500. Tell us why you need that increase.

Mr. MYER. The increase there is requested in order to see if we can get ourselves current in the supervision and handling of trust lands. It involves the whole problem of handling of requests for fee patents and other land actions.

When I was out at the Pine Ridge Reservation, they told me they had 1,000 applications for fee patents. We estimated that if we processed half of those it would take the time of the staff we have there about a year and a quarter to complete the job.

Now, that may not be typical, but it is indicative of the kind of backlog that we have developing in requests for sales of land; the problems of probating land estates; the problem of straightening out heirship problems; the question of completing the job in places where we are trying to get out of business, like California and the Grand Ronde Siletz country. It involves additional survey crews, additional land technicians and others to assist in the handling of sales, appraisals, and working out the adjustments that are necessary.

It also involves the question of the supervision of Indian trust properties and the handling of leasing both of range and other lands that are leased, the mineral, oil, and other leasing which has been intensified very definitely in some of the areas during the past several months. That is particularly true in the Dakotas, Montana, and in an area where we have a new oil boom moving up and we have increased interest in minerals in certain parts of the Southwest.

That, in general, summarizes the situation I believe.

REPAIR AND MAINTENANCE OF BUILDINGS AND UTILITIES

Mr. JENSEN. Here you are asking for $2,730,000 for repair and maintenance of buildings and utilities, an increase of $867,626. No doubt you have a lot of buildings that need repair.

Now, do we say to the Indians, "Here is a windowpane out and a door that is in need of fixing, and so forth; it is to your interests to do this repair for the good of the cause"?

I know that we are sending carpenters out to fix a window and it costs $15 or $20. Such jobs as hanging a door and putting in a few windowpanes or a little painting run into money. You can have a thousand of them and the first thing you know you spend $1 million.

INDUCING INDIANS TO MAKE REPAIRS

I wonder if there is not some way we can induce these Indians to keep their own buildings in repair; take care of the natural breakage and the natural small leakage in the roofs, and things like that, instead of sending a carpenter out 25, 30, or 40 miles just to do an hour's work.

Are you working on that matter? Are you trying to get them to understand that they should do those little things themselves?

Mr. MYER. Yes, we are, Mr. Jensen; but I would like to point out in this particular case that it is not likely we can convince any individual Indian that it is his job to handle that kind of work on public buildings. I mean everybody uses them. These are school buildings, hospitals, agency headquarters, the buildings that are used by the public all the way across the board.

Mr. JENSEN. There are a lot of school children who could do that.

Mr. MYER. I would like to say secondly that we are using Indians to a very large extent in handling the maintenance work—not entirely, but we are using a good many skilled Indian people in doing that job. They are being paid for it, but they are being hired to do the job on much of this maintenance work.

Now, I would like to go a little further and say this, however, that we will never be able to lick this job until we can get to the place where we can begin to transfer this responsibility to somebody else in the way of local government or other agencies. That is one of the reasons I am very anxious that we be in position to work out plans with Indians, counties, States, and others, for transferring buildings to them. I think it will be to the interests of the Government over the long pull.

As we are able to reduce our responsibility on those public functions—I say "public functions" because they are things normally handled by the public, either by the Bureau of Indian Affairs in Indian country, or other governmental units—we can eventually reduce this cost in this budget.

There is a problem of training Indians to do this sort of thing. We have trained a good many of them to do it and we are using a good many.

On the other hand, none of this money is being expended to my knowledge, and I think I am correct, on any private buildings that belong to Indians. They are responsible entirely for their own repair and maintenance work.

This increase, as I believe I indicated earlier, is largely an increase, not in number of buildings or square footage although there is some

increase there; it is a matter of gradually rising costs of labor, materials, and so forth.

REASONABLENESS OF STRUCTURAL SPECIFICATIONS

Mr. JENSEN. A few years ago there was a request for funds for improvement in schools, hospitals, and the like in Indian reservations and among those buildings were coal bins that they wanted to build. They had concrete up 4 feet and then heavy wire netting above that for another 4 feet. Those were the specifications. There was no roof on it. There was no roof over the coal. I criticized that kind of a coal bin because you might just as well throw coal right out in a pile as to put it in a bin with no roof over it, because when the rain comes down it slacks the coal and you have slack coal. It destroys the fuel content.

Now, I am wondering just what kind of coal bins you are building. It is a small item but it is one of the things I have been wondering about. Are you building coal bins out there without roofs on them?

Mr. MYER. I will be very frank with you, Mr. Jensen. I do not know whether we are building coal bins of that type. It is the first time I have had the question raised. I have not seen any in our recent construction.

Most of our heating operations in the more modern construction we have made during my time, at least, where I have looked over it, have been oil fuel rather than coal fuel in some of these areas. Of course, that would not require coal bins.

Much of it is now being handled at our larger institutions through a central heating or power and heating plant for hospitals and the like.

Mr. JENSEN. I just want to say that I hope we are not spending thousands upon thousands of dollars to build coal bins and then put no roof over the coal, because it is just wasting money.

That is all.

CONSTRUCTION

Amounts available for obligation

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate	$22,887,651	$10,575,000	$35,856,000
Applied to contract authorization	−3,100,000	−1,745,000	−1,380,000
Contract authorization	2,000,000		
Prior year balance available (appropriation)		9,230,977	1,803,771
Balance transferred (pursuant to Public Law 759, 81st Cong.) from—			
"Acquisition of lands for Indian tribes"	51,650		
"Construction, buildings and utilities, Indian Service"	4,046,845		
"Construction, extension, equipment and improvement of public-school facilities, Indian Service"	120,500		
"Construction, irrigation systems, Indian Service (reimbursable)"	435,912		
"Navajo and Hopi construction and maintenance services"	1,289,690		
"Roads, Indian Service"	220,886		
Reimbursements from non-Federal sources		25,300	
Reimbursements from other accounts	476,109	26,000	26,000
Total available for obligation	28,429,243	18,112,277	36,305,771
Balance available in subsequent year (appropriation)	−9,230,977	−1,803,771	
Obligations incurred	19,198,266	16,308,506	36,305,771

NOTE.—Reimbursements from non-Federal sources above are proceeds from insurance on buildings loaned to the Ponemah, Minn., school district (Public Law 253).

Obligations by activities

Description	1951 actual	1952 estimate	1953 estimate
1. Buildings and utilities	$13,432,656	$11,845,374	$15,233,771
2. Roads and trails	1,897,621	1,750,618	10,026,000
3. Irrigation systems	3,731,001	2,471,612	11,046,000
4. Land acquisition	136,988	240,902	
Obligations incurred	19,198,266	16,308,506	36,305,771

Obligations by objects

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions	458	457	612
Full-time equivalent of all other positions	930	932	2,378
Average number of all employees	1,236	1,320	2,931
Average salaries and grades:			
General schedule grades:			
Average salary	$4,003	$4,413	$4,682
Average grade	GS–6.6	GS–6.6	GS–6.9
Crafts, protective, and custodial grades:			
Average salary	$3,140	$3,657	$6,695
Average grade	CPC–5.7	CPC–6.0	CPC–6.2
Ungraded positions: Average salary	$3,660	$3,662	$3,664
01 Personal services:			
Permanent positions	$1,224,451	$1,677,756	$2,378,040
Part-time and temporary positions	2,789,190	2,869,924	8,038,605
Regular pay in excess of 52-week base		6,453	9,145
Payment above basic rates	46,510	46,016	81,135
Total personal services	4,060,151	4,600,149	10,506,925
02 Travel	106,718	121,916	169,500
03 Transportation of things	148,697	171,920	421,000
04 Communication services	21,780	23,724	29,000
05 Rents and utility services	61,115	67,142	227,000
06 Printing and reproduction	19,595	5,850	8,000
07 Other contractual services	844,432	404,716	1,288,647
Services performed by other agencies	29,008	26,840	26,430
08 Supplies and materials	3,328,696	3,942,056	4,277,918
09 Equipment	1,127,189	767,233	1,465,000
10 Lands and structures	9,484,414	6,219,549	17,929,403
Subtotal	19,231,795	16,351,095	36,348,823
Deduct charges for quarters and subsistence	33,529	42,589	43,052
Obligations incurred	19,198,266	16,308,506	36,305,771

Analysis of expenditures

	1951 actual	1952 estimate	1953 estimate
Unobligated obligations, start of year		$11,330,165	$8,932,671
Obligations incurred during the year	$19,198,266	16,308,506	36,305,771
Transfer (pursuant to Public Law 759, 81st Cong.) of unliquidated obligations from—			
"Acquisition of lands for Indian tribes"	213,758		
"Construction, buildings and utilities, Indian Service"	4,300,410		
"Construction, extension, equipment, and development of public school facilities, Indian Service"	51,761		
"Construction, irrigation systems, Indian Service (reimbursable)"	376,455		
"Navajo and Hopi construction and maintenance services"	357,891		
"Roads, Indian Service"	331,907		
Total	24,830,448	27,638,671	45,238,442
Deduct:			
Reimbursable obligations	476,109	51,300	26,000
Unliquidated obligations, end of year	11,330,165	8,932,671	18,912,442
Total expenditures	13,024,174	18,654,700	26,300,000
Expenditures are distributed as follows:			
Out of current authorization:			
Out of appropriations to liquidate prior-year contract authority	13,024,174	1,745,000	1,380,000
Out of new obligational authority			13,245,967
Out of prior authorization		16,909,700	11,674,033

Mr. KIRWAN. The next item is "Construction." This year the appropriation is $10,575,000. The request for 1953 is $35,856,000, or an increase of $25,281,000, which is the largest increase in this budget for a particular item.

PROPOSED PROJECTS AND TYPES OF CONSTRUCTION

Some new school programs are proposed in your budget. Describe some of the projects to be built at the various locations and what materials will be used.

Mr. MYER. Starting on page 101 there is a breakdown of the projects. You will note there is to be $1,902,000 expended almost entirely for school buildings and the Anchorage hospital in Alaska.

Now, there are one or two items for utilities, roads, and grading for the completion of certain jobs at the Mount Edgecumbe School and Medical Center. The rest of them, I believe, are school buildings. They are all wooden construction on piling. They are day schools, one or two units. They are in areas where there are no schools at all now and where they are badly needed or where the schools are just inadequate to meet the situation.

Those are listed and I will not try to name them.

Under the program as regarding buildings and utilities in States, we have a number of different types of activities. We have Cheyenne River, the Cherry Creek School and, I assume from the amount of money listed here it would be a frame building. We have remodeling of a dormitory at Chilocco which is a stone building, I am quite sure, because I have seen that dormitory. There is an inside remodeling job, trying to modernize that school. There are a number of schools in the Navajo-Hopi Reservation that will be largely reconstruction jobs, and adding of dormitories at schools that already exist, some of which are masonry or part masonry and part of which are of wood construction which would include school capacity for 600 additional students.

You will find that breakdown on page 102. It involves schools at Crystal, Dennehotso, Mariano Lake, Pinon, Ramah, Sanostee, Standing Rock, and Steamboat in the Navajo country, and then some improvement in facilities at Keams Canyon School at Hopi, and a continuation of the development of the school facilities at Shiprock, which is largely masonry, or stone construction in that particular area.

I think that summarizes it. I did not hit every one of those.

AVAILABILITY OF MATERIALS

Mr. KIRWAN. Will you be able to obtain materials and equipment to carry out this enlarged construction program?

Mr. MYER. Yes; we believe we will.

Mr. KIRWAN. There is no steel in your program?

Mr. MYER. Very little. Most of this construction is the type of construction that would not require large amounts of steel. There will be some steel used, but it will not be on the same basis as if we are building all large new buildings. There will be some steel; yes. It may take some doing and we may be delayed on account of bottlenecks here and there.

I would like to point out, however, that the funds in this case are available until expended and we can push ahead as fast as possible as soon as materials are available.

HOSPITAL FACILITIES

Mr. KIRWAN. Tell us briefly what has been done to obtain the use of existing hospital facilities in each area where you plan to build new hospital facilities.

Mr. MYER. The only new hospital that is included here, Mr. Chairman is the Tuba City Hospital on the Navajo Reservation area. That area is so far removed from other hospitals that we feel it is absolutely essential that we do put up a hospital to help to serve an increased load that has developed in the western part of the Navajo Reservation and is very, very badly needed.

I would just like to go on and say that one of the criteria which we used in the development of this budget was that we would not propose any kind of construction at any place where there was a chance that we could use community facilities already existing, either in schools or hospitals or any other type of construction. That is something that I feel very strongly about and, as you will note, a rather major part of this budget does go to the Navajo long-range program which was authorized by Congress a year and a half or two years ago and we are trying to carry out some of those commitments in getting ahead and trying to get those Navajo youngsters into schools and provide reasonable hospital facilities.

IRRIGATION STRUCTURES

Mr. KIRWAN. Are you starting any new irrigation structures? If so, tell us about them briefly.

Mr. MYER. Most of the funds I think you will find under the irrigation item here are for the continuation of programs that have already been started. There is a total of $11,046,000 for irrigation development. You will find on page 131 and page 132 a breakdown of the States and areas where we expect to utilize those funds.

Some of the larger items include $4,635,000 in the Colorado River area which includes further development for use of Indians already there, and the continued development of the lands to the south where we are assisting in resettling Navajos and Hopis because of the overpopulation in the other areas.

The irrigation projects on the Navajo include a lot of small projects which have been under way for some time. The sum of $1,265,000 is requested for those projects.

Then there is $515,000 for the development of the irrigation program in the Papago country which is very badly needed and which would continue some work which has been started some years ago, but there has been no recent development there to my knowledge.

In California there is an item of approximately $200,000 which we feel will pretty well complete commitments in the areas mentioned here so that when we get out of business they will be able to go ahead with their development.

There will be more development needed in Coachella Valley tied in with an irrigation district out there, which is now under discussion,

but it is a larger operation than this. But we have tried to take those items where there was great need for doing little jobs that were necessary to complete that job.

On a number of these items we were asking for funds to try to complete the work. As you will note in Montana we have four projects. In Nevada there are three projects. There is a small item for the United Pueblos of $80,000. There are two reservation projects in Oregon, Klamath and Warm Springs, and two in Washington. There is a sizable one in Washington, the completion of the Satus three-unit in the Wapato project which is very badly needed and should be developed so as to bring some of those good lands into cultivation out there that are needed for defense production at the present time.

There is a small item for Wind River and then a small one for some small miscellaneous projects scattered here and there upon which we can give the data if you wish, and $242,000 for engineering plans and surveys that relate to the development of these programs.

Mr. KIRWAN. Mr. Norrell, do you have any questions?

PROPOSED WORK ON FORT LOGAN VETERANS' HOSPITAL

Mr. NORRELL. I believe you said you had $300,000 in here for work on the veterans hospital that you were planning to take over?

Mr. MYER. $400,000 for the rehabilitation of certain of the quarters and ward buildings.

Mr. NORRELL. That item then comes in this heading?

Mr. MYER. That is correct. You will find that on page 101, the item of $400,000, and then at page 112 you will find a more detailed statement on it, Mr. Norrell.

Mr. NORRELL. Has that hospital already been turned over to you?

Mr. MYER. No; we had no funds to handle it. It has been authorized to be turned over to us by the President and, as a matter of fact, that was done, I believe, on the 16th of November, but it is now understood that we will take over, if the funds are provided, as of July 1, when we have funds available to handle it and then we will be able to utilize a part of the beds. Then after a few months of rehabilitation we will have the 300 beds in full operation.

Mr. NORRELL. Do you know whether or not this hospital was constructed by an act of Congress, or was it constructed by the general act giving the Veterans' Administration authority to go out and build hospitals?

Mr. MYER. I do not know, but I would be reasonably sure that this hospital was constructed originally as an Army hospital and not as a Veterans' Administration hospital. It is an older hospital than would have been constructed by the Veterans' Administration even after the First World War.

PROVISIONS FOR TRANSFER

Mr. NORRELL. I was of the impression, and I am not sure I am correct on it, that where a Government building was constructed by virtue of an act of Congress that it could not be disposed of in any way except by actions of Congress.

Mr. MYER. We have a provision in the language here which would authorize the transfer without reimbursement, Mr. Norrell, to cover that point. Right now, of course, it could be made available to us on a lease and occupancy basis, but not transferred.

CONTRACT BEDS FOR TUBERCULOSIS PATIENTS

Mr. NORRELL. I assume you are already using some of the hospitals through your leasing of beds for the Indians in that area?

Mr. MYER. We are not as yet using any of the contract beds in that area in the tuberculosis hospitals, but we do have authorizations in this budget that would give us hospital beds in that area in private and public institutions that may be available.

Mr. NORRELL. You have beds you are using at this time that would be comparable to the facilities of this veterans' hospital?

Mr. MYER. No; except in hospitals of our own where we are already carrying out treatment such as at Fort Defiance, Tacoma, and certain other hospitals where we are doing tuberculosis work, but we have demands much beyond the capacity that those hospitals can provide.

If I may resummarize briefly for you what we have in this budget on hospitalization, it would be a request for 1,225 bed total capacity which includes the activation of 300 tuberculosis beds in the new Anchorage hospital a little later on in the year.

Mr. NORRELL. At what hospital do you have these 1,852 beds that I see here for tuberculosis? That is on page 112 of your justifications, the fourth paragraph.

Mr. MYER. That includes the hospitals that we are already using that I mentioned, like the Tacoma hospital in Tacoma, Wash.; Talihina, some at Fort Defiance in the Navajo country, and the contract beds which we are using this year of approximately 400.

Mr. NORRELL. You have at the present time 1,852 beds for care of individuals having tuberculosis and 424 beds from other governmental and nongovernmental agencies, is that right?

Mr. MYER. There are 1,428 of these beds operated by the Bureau of Indian Affairs; 424 are under contract with other governmental or nongovernmental agencies. That accounts for the 1,852 beds.

TUBERCULOSIS HOSPITALIZATION

Mr. NORRELL. Can you tell us how many of your tuberculosis beds you actually now at this time have occupied?

Mr. MYER. I will get you that figure, but I believe you will find that they are occupied to the fullest extent possible with available funds.

Mr. NORRELL. If that is your answer on that, I am willing to accept it.

Mr. MYER. I am sure it is the answer, but I would like to check the record on it, Mr. Norrell.

Mr. NORRELL. I want the ones that are actually at this time occupied.

Mr. MYER. I will give that as my answer. I will come back to it a little later in case I find any discrepancy in it.

Mr. NORRELL. You may advise the clerk and ask him to let me know.

Mr. MYER. I feel reasonably sure about it for the reason that I visited three or four of these hospitals in recent months myself and they were filled up.

(The following statement was furnished later:)

During the hearing before the subcommittee on the 1953 budget estimates for the Bureau of Indian Affairs the question was raised as to whether tuberculosis beds in Indian service hospitals were being utilized to capacity. Testimony was given that it was believed that the beds were fully occupied particularly because of observations at a few of the hospitals.

A check of the records and reports shows that there are now 1,245 beds for tuberculosis patients in Indian service hospitals. This number represents a reduction from the 1,428 shown in the budget justifications due to the loss of 63 beds because of destruction by fire of the hospital at Bethel, Alaska, and the temporary withdrawal from use of 150 beds at Mount Edgecumbe, Alaska, because of building repair and renovation work. On November 30, 1951, there were 1,027 patients in the 1.245 beds. This represents a utilization rate of 82 percent of capacity. This is a very high over-all rate of utilization when allowance is made for the fact that the beds are scattered in seven hospitals in the States and seven hospitals in Alaska.

The 424 beds in non-Federal hospitals which are available under contract for tuberculosis care for Indians are occupied at all times to the full extent that available funds permit.

NEW POSITIONS REQUESTED

Mr. NORRELL. This is a question I should have asked yesterday and did not. If your total budget is allowed, how many new jobs would be created? You can fill that answer in.

Mr. MYER. I will give you that for the record. I do not have it right offhand.

(The information requested is as follows:)

New positions in 1953 budget

A total of 2,350 new positions would be available under the budget amount. These are distributed as follows:

Health, education, and welfare services	1,481
Resources management	396
Construction	155
General administrative expenses	326
Special appropriation	−8
Total	2,350

The largest number of new positions is in health services and represents doctors, nurses, technicians, and subsidiary personnel for new hospitals, for expansion at existing hospitals, and for beginning a concentrated program of disease-preventive work. Almost half of the increase under "Resources management" is for the expanded program of soil- and moisture-conservation work. Another large segment is for urgently neeeed workers to overcome backlogs in the land work of the Bureau. Other new jobs are for mangement of timber resources including promotion of timber sales and direction of the credit program.

The proposed new jobs in the construction item are not permanent in the true sense. They are related to and necessary for the projects provided for in the budget and will end as the projects are completed.

The new positions scheduled under "General administrative expenses" are to overcome present deficiencies in administrative work and to do the accounting, payrolling, bill paying, etc., for the accelerated program which the budget represents.

Mr. NORRELL. Now, this is an unusual question but one I think we are entitled to ask and I know you are familiar with the procedure regarding it.

BUREAU OF THE BUDGET REQUEST

Did the Bureau of the Budget allow the full request that you made for the Bureau of Indian Affairs?

Mr. MYER. No, sir.

Mr. NORRELL. I will say for the record that I know you are under instructions not to go into that, but I also know, as you do, that when asked that by a member of the committee, you have no recourse other than to answer the question. Your superiors, including the President, know that.

Mr. MYER. Do you want to know what we did request?

Mr. NORRELL. Just dealing in totals. I do not want you to itemize it.

Mr. MYER. It is a little complicated and I would like for you to know the sequence so you will know exactly how this budget originated.

Mr. NORRELL. All right.

Mr. MYER. The first figure we had was $71,700,000, that was the first ceiling from the Bureau of the Budget. We justified our budget within that ceiling, excepting that we presented a great many overceiling items that we insisted on discussing with them, which amounted in total to a budget of around $98 million at that stage.

PRESIDENT'S INTEREST

Shortly after we had justified our budget, the President personally became interested in this matter in view of the many problems that had developed and the dire need relating to tuberculosis and other health problems and the whole question of schools and other Indian needs.

He asked the Secretary to work with me in trying to develop a budget that we thought we could use that would effectively push ahead the program of taking care of the responsibilities which we have and which we have not been able to meet effectively and to otherwise try to limit it to those things that would assist us in moving definitely in the direction of getting out of business.

We prepared a budget of $150 million on that basis. We went back to the Bureau of the Budget with it. It was discussed thoroughly and we came up with a budget of $122,350,000.

Mr. NORRELL. That is a very complete answer, Mr. Director, and I thank you a lot.

I have no further questions, Mr. Chairman.

Mr. KIRWAN. Mr. Jackson, do you wish to ask some questions?

FORT LOGAN VETERANS' HOSPITAL

Mr. JACKSON. In connection with this Fort Logan Hospital at Fort Logan, Colo., do I understand that you will bring Indians from other States to be hospitalized at Fort Logan?

Mr. MYER. We would anticipate there would be some Indians from Colorado, but they would be largely Navajos in this case.

TACOMA HOSPITAL

Mr. JACKSON. Some reference was made to the hospital in Tacoma. Are you planning to close the Tacoma Hospital?

Mr. MYER. No, indeed. We are not only not planning to close the Tacoma Hospital, but we are asking for some funds in this budget to utilize it to its full effectiveness, and we hope to utilize it almost entirely as a tuberculosis hospital, which it is now, but not entirely, if we can arrange to take care of the general services through contract beds otherwise.

Mr. JACKSON. Will there be additional construction at the Tacoma hospital?

Mr. MYER. There is no additional construction planned. We have some beds that have not been used, some beds that we have not been able to utilize simply because of the lack of operating funds for handling the whole operation.

Mr. JACKSON. I wonder if you could supply for the record the number of additional hospital beds that you plan to be able to provide at Tacoma, and the approximate cost, together with the additional contract beds that you hope to take care of?

Mr. MYER. We would be very glad to do that.

Mr. JACKSON. The reason I mention it, Mr. Myer, is that I have had a number of inquiries from the State health department and the State has been carrying a pretty heavy load in connection with Indian patients. It would be very helpful to have that information with a comparison in connection with the number now being taken care of.

Mr. MYER. We will provide that for the record.

Mr. JACKSON. Do that, please, and forward me a copy of it?

Mr. MYER. Indeed I will. You are interested in the additional beds at the Tacoma hospital, the additional authorizations we are requesting for contract beds within the State of Washington?

Mr. JACKSON. Additional beds that will be available in the State of Washington.

Mr. MYER. And in-patients, if this budget is authorized.

Mr. JACKSON. Based on your presentation.

Mr. MYER. We will be glad to do that. I could get it now, but it will take a little time. We will provide it to you.

(The information requested is as follows:)

Hospital beds in the State of Washington

Place	Available 1952		Budget 1953		Increase	
	Beds	Amount	Beds	Amount	Beds	Amount
Tacoma Hospital	285	$975,139	336	$1,258,967	51	$283,828
Various contract hospitals	20	52,500	50	137,500	30	85,000
Total	305	1,027,639	386	1,396,467	81	368,828

REQUEST FOR ADDITIONAL SCHOOL FACILITIES

Mr. JACKSON. I notice you have based your request for additional school facilities, after exhausting all possibilities of utilizing local school facilities.

Mr. MYER. That is correct.

Mr. JACKSON. You cannot take care of any of these children with school busses?

Mr. MYER. No; most of these schools are in isolated areas largely in the Navajo area and in Alaska. There are one or two in isolated areas in the Sioux countries. There is one in the Pine Ridge country where it is not even in an organized county. It is an old school that needs rehabilitation very badly. These schools are all in areas where there are no other school facilities and there will not be for a good many years unless we provide them.

Mr. JACKSON. How about that one in Oregon; Warm Springs, Oreg.?

Mr. MYER. That is an isolated reservation in Oregon.

Mr. JACKSON. They just cannot get them there by school bus?

Mr. MYER. That is right.

USE OF PUBLIC SCHOOLS WHERE POSSIBLE

Mr. JACKSON. I am sure you agree with me that Indian school children should go to local public schools wherever it is possible. In other words, the same rules that apply to carrying white children by school bus ought to be applicable to Indians so that we can avoid school construction wherever possible.

Mr. MYER. I am in thorough agreement and I would like to say this about Oregon: About 3½ years ago we entered into a State contract in Oregon. Almost all of the youngsters in that State are now in public schools. We have had an excellent relationship and we are very happy about it. There are three schools which are exceptions. We have a large boarding school at Chemawa and two schools on the Warm Springs Reservation which serve sections which are isolated and the State is not in a position to take over.

SCHOOLS IN WASHINGTON

Mr. JACKSON. I do not believe they are operating any Indian schools in the State of Washington.

Mr. MYER. There are none in the State of Washington.

Mr. JACKSON. That is the objective I would like to see everywhere. I mean to integrate them into the local school system.

Mr. NORRELL. I would like to add Arkansas to that list. We have no Indian schools.

Mr. MYER. May I emphasize a statement I would like for you to hear, Congressman Jackson, which I do not think you heard yesterday?

MOVING INDIAN CHILDREN INTO PUBLIC SCHOOLS

I believe very deeply that these Indian youngsters should be in public schools, whether on reservations or whether they are living in other communities. We are going to move as fast and as far as we can, wherever we think we can transfer these responsibilities, where we can work it out with the Indians, the States, and the local government, and where they can provide equal services as cheaply as we are doing it and as fast as possible.

Now, it takes time. I would like to just mention some of the reasons why it takes time and some of them I did not know until very

recently. I want to be very frank and say that some of our folks who are in the Indian schools and who are doing the teaching are reluctant to go into the public schools because they have built up years of retirement rights and they are hesitant. I expect that it is perfectly natural for them to drag their feet. We are going to have to go in in each individual case, make an analysis of the problem—I have asked our folks to do so and we are really now beginning to make some progress—and I believe honestly that we can speed up that process in the next year or two much beyond where we have been in the last year or two after we have made this analysis.

WAPATO PROJECT

Mr. JACKSON. I was pleased to see that you requested and obtained approval for funds sufficient to complete the Wapato project. I think we discussed that in a hearing last year. It will mean, I believe, that the Federal Government will get back close to $7 million or $8 million in payments that have accrued, but could not be turned over until the project was completed, so I want to compliment you on getting action on that, so that we can complete the project and get the funds in.

Mr. MYER. May I just add this on that project? This will complete the project insofar as original construction is concerned. You know, and I know, that we have a real problem on the older portion of the Wapato project regarding rehabilitation. We are raising the O. and M. charges and we hope to do it out of the operation and management charges and, if not, the only thing that I could see that would require additional appropriations might be some rehabilitation that cannot be carried in that manner, but I hope we could do it that way.

GENERAL ADMINISTRATIVE EXPENSES

Amounts available for obligation

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate	$3,580,000	$3,300,747	$5,217,000
Proposed supplemental due to pay increases		224,900	
Reimbursements from other accounts	40,377		
Total available for obligation	3,620,377	3,525,647	5,217,000
Unobligated balance, estimated savings	−1,019		
Obligations incurred	3,619,358	3,525,647	5,217,000

Obligations by activities

Description	1951 actual	1952 estimate	1953 estimate
1. Departmental office	$750,778	$785,000	$975,000
2. Field offices	2,868,580	2,740,647	4,242,000
Obligations incurred	3,619,358	3,525,647	5,217,000

Obligations by objects

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions	739	735	1,061
Full-time equivalent of all other positions	15	5	
Average number of all employees	716	640	984
Average salaries and grades:			
General schedule grades:			
Average salary	$4,076	$4,547	$4,396
Average grade	GS-6.4	GS-6.5	GS-6.6
01 Personal services:			
Permanent positions	$2,839,367	$2,891,711	$4,334,000
Part-time and temporary positions	46,005	12,925	
Regular pay in excess of 52-week base		10,200	15,700
Payment above basic rates	52,230	57,712	77,300
Total personal services	2,937,602	2,972,548	4,427,000
02 Travel	122,465	126,000	195,000
03 Transportation of things	28,290	23,000	35,000
04 Communication services	71,706	69,000	85,000
05 Rents and utility services	91,471	74,000	90,000
06 Printing and reproduction	40,111	45,000	65,000
07 Other contractual services	109,529	100,000	125,000
08 Supplies and materials	161,314	129,866	185,000
09 Equipment	121,569	40,000	90,000
15 Taxes and assessments	561	600	5,000
Subtotal	3,684,618	3,580,014	5,302,000
Deduct charges for quarters and subsistence	65,260	54,367	85,000
Obligations incurred	3,619,358	3,525,647	5,217,000

Analysis of expenditures

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year		$393,139	$482,786
Obligations incurred during the year	$3,619,358	3,525,647	5,217,000
	3,619,358	3,918,786	5,699,786
Deduct:			
Reimbursable obligations	40,377		
Unliquidated obligations, end of year	393,139	482,786	849,786
Total expenditures	3,185,842	3,436,000	4,850,000
Expenditures are distributed as follows:			
Out of current authorizations	3,185,842	2,846,861	4,369,406
Out of prior authorizations		373,139	471,694
Out of anticipated 1952 supplemental for pay increases		216,000	8,900

Mr. KIRWAN. We will now take up general administrative expenses. Last year you had $3,300,747. This year it is $5,217,000, which is an increase of $1,916,253. Is most of this increase due to the accelerated program?

REASON FOR INCREASE

Mr. MYER. That is correct, including the need for general supervision. It involves also the fact that we had some reduction in this item last year that has affected our program to the extent of about $300,000. The House passed an item last year of $3,600,000.

The proposed accelerated program is largely the cause of this increase.

I might say, Mr. Chairman, that this total amount of $5,217,000 would be just 4.2 percent of the total budget.

Mr. KIRWAN. Do you have any questions, Mr. Norrell?

Mr. NORRELL. Is this a place in the bill where we could expect a gradual decrease in coming years?

Mr. MYER. I would hope so as we hope to decrease our program items.

MAKE-UP OF ITEM

I would like to point out, Mr. Norrell, that the greater part of the cost involved in these administrative expenses have to do with what we call housekeeping functions, generally speaking, having to do with personnel functions, payrolling, accounting, auditing, the handling of vouchering in all of its aspects, the budget responsibility, the property management and supervision, and office services, files, and so forth.

As the volume of business increases in the program work of course it would cause an increase in the number of people required to handle the business on the operating and administrative end of the program.

ADDITIONAL PERSONNEL

There will be very little increase in here for key positions. It will be largely an increase in personnel to handle the increased volume.

There would be some adjustment if we got this budget in possibly certain items in the key spots and a few of the reservations but I would just like to repeat that you will note the break-down beginning on page 166 as to the type of positions involved. It will give you some idea of the problem we have in handling the administrative items. It includes the area director and immediate assistants; the personnel office with all the classification people, appointment clerks, personnel assistants, stenographers, budget officer, budget analyst, finance officers, classification and reconciliation of reports, accounts maintenance, documentation and voucher examiners, time, leave and pay roll records, contract and procurement work, property utilization and office services.

In addition to that we have on this pay roll all of the superintendents and some clerks at the reservation level as well as our key administrative force here in Washington which includes the same general area under Mr. Greenwood's supervision at the Washington level.

Very little of this increase would be in Washington. I think we have a total of $180,000 that would involve setting up an audit unit which the department has felt for a long time we should have and which we agree upon, and the filling of a few positions we were unable to fill last year because of the adjustment due to the Jensen-Ferguson amendment.

INCREASE IN 1953

Mr. NORRELL. This item would make it considerably higher than the administrative costs have ever been and it would also equal between 5 and 6 percent of your total increases in your bureau this year. That is correct, I believe?

Mr. MYER. I haven't figured that percentage. I would say this, that percentagewise the increase is perhaps not quite as large as it is in the rest of our program budget and while it appears to be a rather sizable increase, the total item would be less percentagewise for the total budget than it would have been had we gone on the same basis

last year with the same amount of money. Our largest prior year was in 1947 with $4,703,000.

Mr. NORRELL. I believe your total increase is $53,970,488.

Mr. MYER. That is right.

Mr. NORRELL. This is about a $2 million increase here.

Mr. MYER. That is right. It is pretty close to a $2 million increase.

Mr. NORRELL. That is all.

REVOLVING FUND FOR LOANS

Amounts available for obligation

Appropriation or estimate (obligations incurred—invested in revolving fund):	
1951	$2,400,000
1952	800,000
1953	1,000,000

Analysis of expenditures

	1951 actual	1952 estimate	1953 estimate
Obligations incurred during the year	$2,400,000	$800,000	$1,000,000
Expenditures out of current authorization (invested in revolving fund)	2,400,000	800,000	1,000,000

Mr. KIRWAN. We will now consider the revolving fund for loans. I notice you ask for an increase of $200,000.

Mr. MYER. In actuality, we are requesting a million-dollar appropriation. The revolving fund for loans—the authorization under which we are asking for this is the long-range Navajo bill. We have used up all the authorization under the 1934 and 1936 acts and this would simply increase the amount of money to be made available for loans in the Navajo-Hopi program. This committee authorized $800,000 last year and we are asking for an additional million-dollar authorization this year, out of the $5 million proposed in the long-range bill.

Mr. KIRWAN. That is their own money?

Mr. MYER. This would be appropriated money to be used for loans.

Mr. KIRWAN. You hope to get every dime of it back?

Mr. MYER. Yes, and the record has been very, very good.

Mr. KIRWAN. The record shows they are pretty honest people?

Mr. MYER. That is right.

Mr. KIRWAN. Have you any questions, Mr. Norrell?

REASON FOR APPROPRIATION

Mr. NORRELL. If you are collecting all that you make loans on, I wonder why it is that we have to make an additional appropriation each year for new money?

Mr. MYER. Because the moneys that come back are used on a revolving loan fund. We have loaned as much as $18 million when we have had actual money appropriated of $12 million. Now some tribal funds are used. In other words, it is so set up, Mr. Norrell, that as the payments come back, we can use those over again.

UNCOLLECTIBLE LOANS

Mr. NORRELL. Have you found any of these loans to be bad or wasted money?

Mr. MYER. Some of the older loans have been written off. I think about 0.05 percent of the payments due on loans made under this program have been canceled.

Mr. NORRELL. What does that equal in dollars?

Mr. MYER. $5,397 have been canceled.

Mr. NORRELL. That is what you consider actually barred by the statute of limitations and are absolutely uncollectible?

Mr. MYER. Uncollectible, yes, up until now.

Mr. NORRELL. Do you have any loans outstanding that you are doubtful about being able to collect?

Mr. MYER. There are some loans we are working very hard to collect. There are some every year, of course, out of a loan program this size. At the close of June 30, 1951, there was a little more than 4.7 percent delinquent on loan payments.

Mr. NORRELL. What has to happen before you consider a loan to be written off? In what status is it?

Mr. MYER. There would probably be a number of conditions. I haven't gone into that in detail, but loans that have stood on the books for a long period of time and where the person who had the loans is bankrupt and has no property and there is no chance of collection, you would write off.

Also cases of where the original borrower perhaps may have passed away and nobody has been able to assume the obligation, in some cases. Most of these loans are made on a basis where we have collateral of the type that can be sold or collected and that is one of the reasons why we have very few of them that have to be written off. The percentage of collection has been excellent on these revolving fund loans.

SECURITY FOR LOANS

Mr. NORRELL. Do you make loans to people who have no property to offer as security?

Mr. MYER. No, not out of these loans. These loans are made, generally speaking, as livestock loans or production loans of that type.

Mr. NORRELL. If they are made on livestock, I assume the livestock would have to die or something like that.

Mr. MYER. If they had a catastrophe where they lost their livestock you might have a loss.

We might go out and take over the stock or insist on sale of stock where somebody doesn't pay any attention to repayment of the loan, but it doesn't happen very often.

LOANS FROM OTHER THAN GOVERNMENT SOURCES

Mr. NORRELL. If they have good security can't they obtain loans from private individuals, banks or others? Do you require them to try to do that?

Mr. MYER. Yes, we do. I am not sure I have the figures with me. I asked for some figures recently, which indicate that we have made a recent survey as to the amount of loans that are being provided by private institutions, production and credit associations and other

institutions to Indians throughout the country and as I remember it, it runs into a figure of several million dollars.

I do not have it immediately before me but I would be glad to put that figure in the record.

Banks are loaning money to many of them now and it is our policy to encourage and insist that they get their loans where we know they are capable of doing it, from these other agencies.

Now the most of our loans made under these funds are made to people who, generally speaking, do not have property of the type that you would take a mortgage on, but it is made on the basis that the property that is purchased with the loan would become mortgageable, you see, and getting them started in business, giving close supervision, giving some training and building them up to the place where they can have bank loans.

Here is the figure I was looking for: $19,829,137, according to the records that have come in from the field, have been borrowed by Indians from other institutions, private and public.

That is, I might say, almost equal to the amount of loans that have been made through this revolving loan credit fund and the cattle loans which were started with drought cattle, and we have used loans in that way to some extent, that has totaled $21,356,659.

NECESSITY OF APPROPRIATING FUNDS FOR LOANS

Mr. NORRELL. Can't you get on an operating basis whereby you can use the money that you have appropriated in a revolving fund, just like we have planned, without from time to time coming to Congress to get an increase in that amount and succeeding that expiration a few years time?

Mr. MYER. No, Mr. Norrell. Some tribal funds are being used and very effectively in addition to the appropriated funds provided.

The demand for loans are far in excess of the funds now available under the revolving loan fund.

LAWS INCREASING AMOUNT

Mr. NORRELL. How many laws have you had since this program started increasing the authorized amount of money for loans?

Mr. MYER. Only one and that is the Navajo-Hopi program that I mentioned which authorized a $5 million increase over the $12 million authorized.

NEED FOR FUTURE INCREASES

Mr. NORRELL. Can you give the committee any idea about whether you will need to come back and get a further authorization?

Mr. MYER. I think we will. I want to be very frank with you. The estimate is that we will probably need all told, if we do the rehabilitation job that ought to be done in the next few years, a total of $100 million for rehabilitation loans and grants of this type.

Now we are proposing soon to the Congress—I signed the letter, today, which would authorize an additional $50 million in connection with land programs and settling up some of these cases where we have had fractionation of lands and trying to get those in order so that we would be in position either individually or otherwise to consolidate it and put it in shape to get us out of business.

TRIBAL FUNDS

Amounts available for obligation

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate	$57,418,065	$17,039,000	$17,040,000
Prior year balance available	44,027,265	80,566,400	78,117,400
Reimbursements from other accounts	210,914	200,000	200,000
Total available for obligation	101,656,244	97,805,400	95,357,400
Balance available in subsequent year	80,566,400	−78,117,400	−73,447,400
Obligations incurred	21,089,844	19,688,000	21,910,000

Obligations by activities

Description	1951 actual	1952 estimate	1953 estimate
1. Permanent authorizations:			
(*a*) Payment to Indian tribes	$14,630,635	$13,858,498	$14,000,000
(*b*) Miscellaneous tribal activities	3,921,487	3,141,502	4,700,000
2. Annual authorizations:			
(*a*) Health, education, and welfare services	598,532	732,355	676,322
(*b*) Resources management	565,392	630,347	661,573
(*c*) Construction and land acquisition	109,540	78,846	96,500
(*d*) General administration of tribal affairs	626,697	746,452	900,605
3. Indefinite authorizations:			
(*a*) Tribal credit fund	637,561	500,000	875,000
Obligations incurred	21,089,844	19,688,000	21,910,000

Obligations by objects

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions	258	258	276
Full-time equivalent of all other positions	726	730	725
Average number of all employees	977	974	989
Average salaries and grades:			
General schedule grades:			
Average salary	$3,459	$3,939	$3,957
Average grade	GS–5.1	GS–5.0	GS–5.0
Crafts, protective, and custodial grades:			
Average salary	$2,988	$3,412	$3,438
Average grade	CPC–5.6	CPC–5.4	CPC–5.3
Ungraded positions: Average salary	$4,491	$3,758	$3,782
01 Personal services:			
Permanent positions	$826,593	$910,231	$999,025
Part-time and temporary positions	1,816,927	1,820,712	1,748,472
Regular pay in excess of 52-week base		3,501	3,842
Payment above basic rates	10,154	11,837	12,315
Total personal services	2,653,674	2,746,281	2,763,649
02 Travel	94,127	104,412	112,245
03 Transportation of things	15,961	16,697	18,795
04 Communication services	9,782	8,905	9,875
05 Rents and utility services	28,687	29,184	35,000
06 Printing and reproduction	3,453	1,450	3,000
07 Other contractual services	932,154	814,794	1,196,210
08 Supplies and materials	986,831	968,135	1,185,349
09 Equipment	118,976	56,349	78,000
10 Lands and structures	463,413	165,350	196,500
11 Grants, subsidies, and contributions	1,139,010	1,149,690	1,346,752
12 Pensions, annuities, and insurance claims	13,602,095	12,430,805	13,550,000
16 Investments and loans	1,074,309	1,230,248	1,450,000
Subtotal	21,122,472	19,722,300	21,945,375
Deduct charges for quarters and subsistence	32,628	34,300	35,375
Obligations incurred	21,089,844	19,688,000	21,910,000

Analysis of expenditures

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year	$325,215	$489,310	$500,000
Obligations incurred during the year	21,089,844	19,688,000	21,910,000
	21,415,059	20,177,310	22,410,000
Deduct:			
Reimbursable obligations	210,914	200,000	200,000
Unliquidated obligations, end of year	489,310	500,000	535,000
Total expenditures	20,714,835	19,477,310	21,675,000
Expenditures are distributed as follows:			
Out of current authorizations	20,714,835	19,477,310	21,675,000
Out of prior authorizations			

Mr. KIRWAN. The next item is "Tribal funds." Explain why you are requesting an additional $226,000 for this.

Mr. MYER. This is based entirely on budgets submitted to us by tribes on how much they think they will need to operate their tribal business, and that is the basis entirely.

Mr. KIRWAN. That is their own money; is it?

Mr. Myer. That is their own tribal money; yes. It is money in the Treasury, however, which is to their credit and which we have to authorize and approve.

Mr. KIRWAN. You keep supervision over the whole thing?

Mr. MYER. We supervise any moneys in the Treasury as trust funds; yes.

LANGUAGE CHANGE

I have two further comments: One has to do with a proposed language change. The first item is under the item of "Construction," page 53, line 10, of the committee print.

After the word "granted," strike out the following:

Provided, That no part of the sum herein appropriated shall be used for the acquisition of land within the States of Arizona, California, Colorado, New Mexico, South Dakota, Utah, and Wyoming outside of the boundaries of existing Indian reservations: *Provided further*, That no part of this appropriation shall be used for the acquisition of land or water rights within the States of Nevada, Oregon, and Washington either inside or outside the boundaries of existing reservations: *Provided further—*

That language we feel should be stricken.

Then under "Tribal funds," page 68, line 5, of the committee print, after "Secretary," strike out the following:

Provided, however, That no part of this appropriation or other tribal funds shall be used for the acquisition of land or water rights within the States of Nevada, Oregon, Washington, and Wyoming, either inside or outside the boundaries of existing Indian reservations.

Now the reason we would like to have this language stricken is as follows:

The proposed amendments are to eliminate restrictions on the use of funds for land purchases in specified States. The withdrawal of supervision is dependent to a great extent upon the exchange, sale, and purchase of land to improve land tenure and use.

The majority of allotments are in an heirship status and the ownership is badly fractionated. Many of the allotments are owned by Indians who have moved to other reservations because of marriage or are living in various off-reservation cities and towns. Most of these nonresidents do not intend to return to their reserva-

tions, and many of them wish to dispose of their lands to obtain funds to enter into business or to raise their economic level and improve their living conditions. However profitable and desirable such dispositions may be to individual Indian owners, the sale of lands situated within timber or grazing units could jeopardize the successful management of such units and be disastrous to other owners within the unit. The alienation of only a few key tracts within a grazing unit could render the remaining lands in the unit almost worthless for proper grazing use, and the alienation of scattered tracts within a timber unit would practically preclude the management of the area in an orderly manner and on a sustained-yield basis.

Prohibitions that restrict the Indians in their efforts to utilize their resources to their best interest retard their assimilation into the non-Indian population and make it impossible to proceed in those States where the restrictions apply toward a solution of the primary problems which must be solved before there can be any termination of Federal activities.

I might add this is language that has been put in in the Senate and it has not been provided here.

I will add, furthermore, that this matter was brought to the attention of the Bureau of the Budget. They did not eliminate the language but authorized us to make this request if we cared to do so.

I am all through with my statement.

Mr. NORRELL. We might want to question him further on any changes of the law later since he is here in Washington and we can get him back.

Mr. KIRWAN. Very well.

Mr. MYER. There is one other item I would like to mention briefly for the record because I promised to do so.

CLOSING OF PIPESTONE SCHOOL IN MINNESOTA

You will find in this budget a statement that we are planning to close the Pipestone School in Minnesota. In doing so we would ask to transfer the funds being used for the immediate operation to the welfare fund for use in home care for youngsters now in that school and others who should be in that school, in cooperation with the Minnesota Welfare Department.

We announced last September that the school would be closed June 30 and we indicated we would cooperate with the welfare department there in providing funds for home care for the youngsters who were in the school that they could take care of through foster-home care and if they could not take care of them we would take care of them in our other boarding schools until they could find homes for them.

OPPOSITION TO THE CLOSING

There has been quite a little discussion about the problem. There is opposition as there usually is to closing the institution and just this week, on January 15, we had a meeting in Senator Thye's office, with him and Congressman H. Carl Andersen and other Members of the Minnesota congressional delegation, along with a delegation which came in from Minnesota, asking that we postpone for 1 year the closing of this institution, for two reasons: (1) That their legislature doesn't meet there until, I believe, 1953 and they would like to discuss with the legislature the possibility and probability that they may want to ask to take over the buildings for a State welfare institution of some kind and they would prefer to have it utilized in the interim period. (2) The State doesn't feel they are in a position to

find boarding homes for all these youngsters in the interim period and they felt it would be much better if we did the thing gradually as they find homes and take them from the school directly rather than have them at some distant point.

I want to say very frankly that we had a very thorough-going discussion of this problem. It was indicated that this committee would probably be requested to put language in the bill that would require that we operate that school another year.

I indicated that if that happened we would do our best to do it as effectively as we knew how, but that I frankly hoped it wouldn't happen because I felt the school should be closed.

On the other hand, I did tell them that I would present our case, as we have in the record here and as I have presented it to you, and I would also try to summarize what their position was so there would be no question about the matter, and I have done so.

USE OF MONEY AS APPROPRIATED

Mr. NORRELL. I would like to ask you this question, just summing up the whole thing: You haven't used any of the money that we appropriated in any way except the way that your justification calls for it and the way the money was appropriated. You have abided absolutely by the letter of the law in your expenditures throughout your Bureau?

Mr. MYER. We stayed completely within the law, I assure you, Mr. Norrell. Now may I just add one thing. I want to be sure that you understand:

We justified certain key items in our resources budget last year that had to do with California and other places and we have done a little shifting within that item which we are authorized to do within the law, and for this reason: Instead of carrying on the routine activities in roads and land and assorted personnel that we had carrying on the program out there, we have shifted those people to the activity which we are putting full time to in California now, in helping to make the surveys and doing the job to get us out of business within those areas. So there has been a little bit of shifting of personnel in line with the actions there but it has been entirely within our legal authority and it has been all aboveboard and it is in the interests of reducing the expenditures ultimately.

Mr. NORRELL. I don't believe, as a member of this committee, that we can blow hot and cold at the same time.

I know some of us have been wanting to see the Indians placed on a self-sustaining basis and get out from under the custody and welfare services of Uncle Sam.

As a member of this committee, I am not going to reactivate anything that has been scheduled to go out, notwithstanding the fact that I have great admiration for the Congressmen whose names you mentioned.

Mr. MYER. I just want to make it clear that I am carrying out a commitment which I made to them that I would bring this before the committee and indicate clearly what our position was and to summarize briefly what theirs was so there would be no misunderstanding about the position.

Mr. NORRELL. I don't believe this committee should on the one hand condemn you for not doing away with the Indian service and on the other hand tie your hands and keep you from doing so.

That is all.

Mr. MYER. Thank you, sir.

Mr. KIRWAN. You have done a good job in presenting and defending your budget.

Mr. MYER. May I express the appreciation of myself and my staff for an excellent hearing. This is the type of hearing which I appreciate very much.

We try to come up with a budget in which we can justify every item and this committee has been very helpful in trying to build the kind of a record which I believe needs to be built in order to provide the answers to questions that may properly be raised.

I appreciate it.

NATIONAL PARK SERVICE

FRIDAY, JANUARY 18, 1952.

WITNESSES

CONRAD L. WIRTH, DIRECTOR
RONALD F. LEE, ASSISTANT DIRECTOR
THOMAS J. ALLEN, ASSISTANT DIRECTOR
KEITH P. NEILSON, FINANCE OFFICER

Mr. NORRELL. The committee has before it this morning the National Park Service appropriation request.

The appropriation last year amounted to $27,646,564. The budget this year is $30,905,000, which is an increase of $3,258,436.

We are pleased to have Mr. Wirth, the Director, with us this morning and at this time we will be glad to have your general statement.

GENERAL STATEMENT

Mr. WIRTH. Thank you, Mr. Chairman.

The National Park Service is now responsible for preserving and administering 180 areas possessing nationally superlative scenic, unique scientific, and significant historical and recreational areas, and for making them available for the benefit and enjoyment of the people. These areas contained a gross of about 24,307,000 acres as of June 30, 1951.

INCREASED PUBLIC USE

The situation with respect to our operations and needs is becoming more acute each year in view of our continuing tight budget. Public use of these areas continues to increase, and the end is not in sight. More than 36,708,000 visitors were recorded during the travel year ended September 30, 1951, an increase of more than 10 percent over the 1950 travel year. We expect that perhaps 40,000,000 or more visitors will be recorded during the 1952 travel year, as the increased trend is continuing each month.

This public use generates a tremendous workload in all phases and levels of operations. It necessitates the employment of additional

rangers, ranger-naturalists, and other uniformed personnel to provide protective, intepretive, and guide services, and to collect fees. Additional services are required to operate water, sewer, electric, communications, and other utility systems at the maximum load; campgrounds and comfort stations must be serviced more frequently, and garbage and other debris must be collected and disposed of to safeguard the health of visitors. Facilities also deteriorate more rapidly because of increased use, and require increased funds for their proper maintenance, repair, and rehabilitation.

Our increasing population, together with such factors as improved working conditions of the populace as a whole, better and swifter modes of transportation, and generally higher standards of living, will no doubt result in continued increased use of these unusual areas. A vacation or holiday outing has become an accepted part of living for most American families. Need for relaxation, knowledge, change of scene, inspiration, or mere satisfaction of curiosity, as expressed by use of these national pleasuring grounds is normal for our people. All major workers' organizations and progressive business concerns are urging more use of the park and recreation areas by their people. These activities are no longer a luxury but a needed activity in our way of living.

Congress gave recognition to the growing recreation habits and need of the American people through passage of the Park, Parkway, and Recreation Study Act of 1936, through which this Service was directed to make a study of the public park, parkway, and recreational areas programs of the Nation, with the assistance of Federal agencies, States and their political subdivisions. We have accomplished enough in this field to determine what further should be done, but increased cooperation with, and assistance to, the States with their problems is not contemplated by the 1953 estimates.

RIVER BASIN SURVEYS

A nominal increase is included to make a special survey of the recreational potentialities of the Arkansas-White and Red River Basins as a part of the resources survey of those basins authorized by the Flood Control Act of 1950, and for a similar survey of the New England-New York area.

RECREATIONAL FACILITIES

With the return to more normal times, it is our belief that the Service should make a special effort toward more progress in the field of recreation, primarily with respect to assisting the States and their political subdivisions, and cooperating with Federal water-control agencies, leading toward the development of well-conceived recreational facilities where needed throughout the Nation.

Although this is an expression of a long-range view because of existing conditions, recreational facilities represent a current urgent need, and ultimate realization of only a portion of the needs in this field would serve the dual purpose of providing such facilities where urgently needed and at the same time alleviate considerably the tremendous overload of use in many of the Federal parks and other areas.

BASIS OF 1953 ESTIMATES

Our 1953 budget estimates are directed primarily at giving maximum attention to preserving the prime features for which these 180 areas were established, and making them available for the enjoyment of the people. We must have additional personnel and operating funds if we are to carry out this responsibility. Even if the international situation becomes more critical, the Service will still have the responsibility of (1) preserving intact the scenic, scientific, and historical values for which the areas were established; (2) preserving the physical plant and improvements at a scale necessary to obviate costly replacement at a later date; and (3) maintaining a minimum, well-rounded basic organization so far as would be consistent with the national welfare.

EFFECT OF WAR-TIME USE OF PARKS

The National Park Service is not a defense agency; however, it must be remembered, as it was proven during the last World War, that all types of parks and recreation areas were as valuable to the Nation at war as they are to the Nation at peace. Our parks, monuments, and other areas emerged from World War II practically intact with respect to basic values, primarily because of alertness and the understanding cooperation accorded by the military authorities and other users.

However, inadequate maintenance of physical facilities left us in the anomalous position of being required to resume peacetime operations at an unprecedented scale under the handicap of badly deteriorated plant and equipment.

Large sums of money were spent on emergency and temporary recreation facilities during World War II which were greatly needed to provide relaxation and relieve tension, as well as for convalescing of military personnel; however, permanent facilities such as are found in the areas of the National Park System were allowed to decline. If any such future needs arise, we believe the National Park Service, a permanent agency in the recreation field, could provide such services at less cost and with excellent results.

During World War II the service issued more than 2,000 special war-use permits to the military forces. A great many of our areas are again receiving that type of use, including such purposes as special training, relaxation, and convalescence. Personnel of the military forces are granted free entry to the areas so that they may enjoy their rest periods and return to their units refreshed and with a better understanding of what their country stands for.

CONSTRUCTION PROGRAM

Our construction estimate of $12,750,000 is at about the same level as that for the current year, for which $11,370,000 is available. The major increase is for parkways, and is accounted for by the fact that more rapid progress is contemplated on construction of the Baltimore-Washington Parkway, and toward completion of paving the second lane of the Suitland Parkway, which leads from Washington to Andrews Field, Md.

Both of these projects are considered as being in the interests of national defense. Only $265,000 is included for acquiring lands and

water rights, as compared to the $1,750,000 appropriated for this purpose in 1952. Construction of only the most essential roads, buildings, and utilities is proposed, consisting primarily of those needed to complete partially started units or make usable stretches of roads, essential visitor facilities and employee housing, and the conversion of our radio systems to frequencies assigned to us as a result of international agreement.

ADMINISTRATIVE EXPENSES

No additional personnel is being requested for our Washington and regional office staffs under our general administrative expenses estimate, although we are recommending the provision of funds for the full year salaries of positions only partly provided for in 1952, and some increases are included for meeting increased costs of supplies, reproductions, and other services, including fixed charges such as communication services, and so forth.

Our over-all estimates for 1953 are believed by us to be very conservative in consideration of the present-day use of the areas we administer. As long as this use continues to increase, we must continually keep asking for not only compensating increases in our operating programs, but also for capital investment funds to provide the various types of physical facilities required for public use. We would be remiss in discharging our responsibilities if we did not call it to your attention.

UPKEEP OF PARK AREAS

I would like to discuss some questions asked me in the last few days by Members of Congress, among which were questions by Mr. Jackson about the upkeep of the parks, and the collection of fees which has fallen off. In this connection, I would like to show a few slides on conditions in the parks since we have had complaints about the general upkeep of the areas.

Mr. NORRELL. That will be all right.

Mr. WIRTH. I have brought here a slide viewer with a few colored slides which I will show first. This will give you a visual picture of the things we are talking about.

(Slide No. 1 was shown.)

This picture shows the condition of some of the turn-outs on a road that are necessary in order to accommodate the visitors who come to see the views and take pictures.

Mr. NORRELL. If you want the record to know what we are talking about, you should describe what we see there.

Mr. WIRTH. It is a turn-out from a paved road with nothing but heavy gravel, which is dangerous and also dirty. From this same turn-out, we turn the other way and I will show you why people want to stop there.

(Slide No. 2 was shown.)

This is a picture of the Grand Teton and people like to take that picture. We have that turn-out to get people off the highway and not run the chance of getting hit while taking pictures.

(Slide No. 3 was shown.)

This is a picture to show the things we cannot estimate very far in advance. It is the infestation of trees which takes place from time to

time and in order to prevent spreading they have to be removed almost immediately. That is a maintenance item that comes up almost continually. This is also in Teton, showing infected trees.

(Slide No. 4 was shown.)

This is in the Badlands of South Dakota showing the permanent residences of some of our employees, together with their sanitary facilities. These two rangers having permanent trailers have built shack additions of their own in order to take care of their families and here are the sanitary facilities—an outdoor pit toilet. I am glad to say, however, that next summer we will be able to remove one of those, at least, with funds that were granted by the committee last year.

(Slide No. 5 was shown.)

This is our warehouse in that particular location which is nothing more than an old CCC barracks with the floor completely deteriorated. We hope to get rid of that this year. This is typical of the kind of things we are trying to replace in order to give better protection of Government property.

(Slide No. 6 was shown.)

This is a picture which indicates that the only way we are able to supply wood to the campers is to haul logs in and let them chop it up themselves, and, of course, many of the people coming in do not have the necessary equipment and they attack our trees around the campgrounds rather than go into our logs.

(Slide No. 7 was shown.)

This shows the run-down condition of a fireplace which needs repair. We have many of them in our campgrounds which are deteriorated to the point where they have to be rehabilitated. It is a growing deterioration of these things that is worrying us more than anything else at the present time.

(Slide No. 8 was shown.)

This shows one of the campfire rings. The campfire gathering is one of the things that the Park Service is known for. It is where people gather in the evening and listen to the rangers talk about the history and scenic values of the park and enjoy their visit to the park. It shows how the campfire rings are run-down and need replacement.

(Slide No. 9 was shown.)

This is a typical scene in the parks in the summertime with millions of people in the areas. Here a bear comes along and they stop to see it and clog traffic. They run the danger of getting too close to the bear. The bear could turn anywhere in this picture and cause considerable damage and loss of life.

This is in Yellowstone and it is due to a large extent to the lack of an adequate ranger force that has caused this condition to grow worse gradually and get more dangerous each year.

(Slide No. 10 was shown.)

This is some indication of the clean-up that is necessary in these parks, especially over the week ends, although our travel is pretty well distributed over the week in most of our large parks because people come from a long distance, but it indicates the constant maintenance that is necessary in order to prevent unsanitary conditions.

(Slide No. 11 was shown.)

Here is some of the vandalism occurring due to lack of proper protection. This is the material taken out of the Firehole Geyser in Yellowstone that people for some reason or other keep throwing in. They want to see what happens to it. There is not sufficient personnel to instruct them how to behave.

(Slide No. 12 was shown).

This is an unsightly garbage can which has accumulated over 2 days. We do not have the personnel needed to remove it each day.

Mr. NORRELL. Right at that point, may I ask you a question? Do you know any reason why the people want to destroy the parks and mar the looks of it by leaving cans and papers? Have you ever been able to analyze why they do that?

Mr. WIRTH. No, sir; except this, and this is not only our experience, but it has been the experience in maintenance of other areas—that as your maintenance goes down and as your areas become more shabby, vandalism increases. In other words, people do not take as good care or try to be as clean and tidy if they see the area itself is not kept up properly.

I do not known which comes first, but it increases in proportion. I mean it just goes right along.

I think if we could keep things picked up, people would do far less damage—and in this connection I have a little story on a paper bag that I want to tell you about before I am through.

Mr. NORRELL. Even here in Washington people will get out in the parks and enjoy the park and the sunshine and then they will leave all kinds of papers and everything that can mar the looks and constitute an expense to the taxpayers in having it cleaned up. Then they are complaining all the time about having to pay more taxes.

(Slide No. 13 was shown.)

Mr. WIRTH. Here is some clean-up we are doing in the High Sierra camps. It shows that even people who are supposed to be good campers or wilderness people will leave things around and clutter up your camp grounds.

(Slide No. 14 was shown.)

Here is a picture of the Morning Glory Pool in Yellowstone. We took these out and left them as an exhibit for over a month with a sign there to indicate to the people what they have done and it might have caused the complete destruction of one of these geysers by clogging it up. In fact, one of the rangers in Yellowstone this year found one pool in which there had been dumped about 50 pounds of soap. I guess somebody thought they would soap up the water so they could wash clothes in it. A number of years ago they caught three or four fellows bringing a big log to put in Old Faithful to see what happened when it went off. As our travel grows, we will get more and more of this type of vandalism.

(Slide No. 15 was shown.)

Here is a picture to show how the elements cause trouble that demand constant maintenance.

(Slide No. 16 was shown.)

This shows a snowplow opening up the road in Glacier National Park on the 15th of June. It shows some of the problems we have in opening up the areas in order to make them available to people when they start coming in there in large crowds.

(Slide No. 17 was shown.)

This is another of the roads in Glacier National Park. I happened to take this picture on the 28th of June. It shows the sloughing off of the bank and the tremendous amount of maintenance work required on these roads when it thaws and snow melts.

(Slide No. 18 was shown.)

This shows the deterioration of guard rails along the road where we have used wood because that was the easiest thing to get hold of. It is, perhaps, the cheapest thing to put up but it goes out faster and increases your maintenance. We ought to have more permanent types of guard rails along our roads where the danger points exist.

(Slide No. 19 was shown.)

Here we are not far from the same section of road. It shows how the side of the bank goes out in the springtime. It has to be repaired. We have to do it some way because life is in danger.

(Slide No. 20 was shown.)

Here is a picture of a bridge that has been patched up from time to time and has gotten in pretty bad state of repair due to not having sufficient funds for preventive maintenance. We are now in the stage of replacement. That finishes up that section of my statement, sir. I would like to add just a few words however, having those pictures in mind.

As I was saying, we have construction items in our budget which are very important, but at the present time I am speaking particularly about our management and protection and maintenance and rehabilitation items. I am doing that because I feel we are going backward with the increased travel and the lack of funds to diminish our backlog of rehabilitation that accumulated during the last war. It is quite evident that we are again going backward under the existing condition of our budget. I do think that I ought to be perfectly frank and point those things out to the committee at this time.

NEED FOR ADDITIONAL RANGERS

We are getting less money per visitor in 1950 and 1952 than we were in 1940 and 1942, and, while we do have a few additional positions in this particular appropriation, when you figure the value of the dollar compared with 1940 and 1941, we really have fewer positions.

I use, as an example, for instance, Yellowstone—I just happened to see Mr. Horace Albright, a former Director of the National Park Service, last night, and I was telling him that we have 65 temporary rangers authorized for Yellowstone, but only money enough to fill 45 jobs. In other words, we had authority for 65 positions, but money for only 45, and that we had about 28 permanent rangers, which made a total of 73. He said that, in 1929, when he was superintendent of Yellowstone, he had 95 permanent and temporary rangers, all filled.

There is vandalism. One night in Old Faithful seven cars were broken into and people were going around committing crimes. It is due entirely to the lack of sufficient protection.

NEED FOR GATEKEEPERS

We are faced with the question—to be perfectly frank, first, let me say this, our gates are not manned the full time necessary in order to collect the fees coming in the park and give the people sufficient

information as to the park and how to protect themselves and how to handle themselves and so forth.

We operate entrances about 75 days out of the year and we should operate them at least 100 days. Furthermore, during the 75-day operation period, we did not have them manned full time.

We are coming very close to the point now, due to vandalism and so forth, of making the decision of whether we are going to take more rangers off the gates and collect less money and protect the area, or go the other way. Of course, I think it is our duty to protect the area at all costs. It is our duty to collect money too at the entrance gates but I think the protection of the people in the area is first on the list. It seems that way to me. That is one of our big problems. It is a tremendous problem, and it has given us a lot of concern.

I have several letters and I would like to read you just one letter that was given to us by Congressman Allen, of California. He wrote to Mr. Demaray on August 31. Congressman Allen quotes a letter from a constituent of his:

> When I first went up to Grant there was a sign on the gate "Keeper's Cabin." "License fee or registration fee $1." There being nobody on duty, between 300 and 400 cars a day went in that way. On Saturdays and Sundays 600 to 800 cars went in.
>
> Late last month I went over to Sequoia Park. I wanted to visit Crystal Caves—one of the loveliest sights—and found that it was closed on Monday and Tuesday. Upon more thorough investigation of these matters I found that because there was not sufficient budget in Grant Park the United States lost $300 to $400 a day, weekdays, and $600 to $800 Saturdays and Sundays; the cost of a ranger would have been about $12 a day.
>
> Over in Crystal Caves the ranger would have cost $12 or so a day and thus the United States lost the returns of about $50 to $100 a day. And, for all I know, is still losing this money. But more than that, the people are unable to visit the beautiful scenic attractions which are developed by the Government unless they get there another day except Mondays and Tuesdays, and there are no signs except bulletins on the bulletin board which may be found to read.
>
> Surely the caves should be opened and the people given an opportunity. This certainly is a sample of somebody's shortsightedness.

We had a reply to that which went to the field and the superintendent said about the same thing that the man said about losing money. It is just a simple question of insufficient funds. In other words, he requested money to man the gates and protect the area. If we could do this we would return the money to the Treasury plus considerable interest.

BUDGET INCREASES IN RELATION TO NUMBER OF VISITS

In reading over this letter, I made another check just to see how it compared with previous years and what it meant. These figures I worked up last night on short notice, but they are fairly accurate. There may be some slight error but not enough to change the picture.

Between 1946 and 1947, we had an increase in revenue of about $130,000 and we had at the same time an increase of 3,500,000 visitors.

Between 1947 and 1948 we had an increase of $375,000 in revenue and an increase of 4,500,000 in visitation.

Between 1948 and 1949, we had an increase of $150,000 in revenue and an increase of only 2 million in visitors.

In 1949 to 1950, we had an increase of $100,000 in revenue and an increase of about 1,000,000 in visitation.

Between 1950 and 1951, which is our last travel year, we had an increase of $7,000 in revenue and an increase of 4,000,000 visitors.

In other words, I think that will show you the point I am trying to make, namely, that we are not collecting the fees that we should and that the additional funds we could collect would be paid back to the Treasury of the United States; and still the Government would not be losing any money; the people would get better service and the parks would be better protected.

It just sounds like good business to me and we ought to find some way of doing it. It does not mean any additional cost.

NEW TRASH COLLECTION METHOD

Now, I have told you before that we are trying in every way we can to reduce our overhead and to protect the park. One of our rangers in Mount Rainier National Park came up with a good idea 2 years ago. We put it into effect in Mount Rainier last year, and we intend to put it into effect elsewhere this year. It decreased our clean-up costs about 60 percent.

He thought of the idea of handing out this trash bag. He has a statement on it: "This is your trash bag. Please use it as a container for your waste paper, tin cans, bottles and other debris and deposit it in one of the trash cans provided for that purpose. This is your national park. Help keep it clean."

Mr. NORRELL. Is that just another paper they would throw away out there somewhere?

Mr. WIRTH. No. We give the bag to the visitor when he comes in the gate, along with the printed pamphlet on the area and ask them to keep it in their car and put everything in there that they want to throw away and we have trash cans around so they can deposit the bag in.

It has had tremendous effect. We are so pleased with it that I have been in touch with the American Automobile Association to see whether they cannot "sell" the idea to the gasoline people—they can put their advertising on it if they wish; we don't care—when their customers buy gasoline, they can hand them a bag and provide a container to dispose of the old bag. As the man comes up to the car, give him a bag and ask him if he has one the attendant can dispose of for him. I think it would help considerably in keeping our road sides clean or make them conscious of it at least.

Mr. NORRELL. Would they actually use it though?

Mr. WIRTH. They have in Mount Rainier and we intend to put it into effect in most of our parks this summer where we have sufficient funds to buy these bags because we will save ourselves money in the long run and have a cleaner park for our visitors to enjoy.

Before I make a final answer to your question, however, I would like to let it be tried out for a year or two and see what happens. It is worth trying, we think. The experiment in Mount Rainier was very satisfactory.

EFFECT OF WAGE INCREASES FOR BLUE-COLLAR WORKERS

Mr. Chairman, I do not know whether I am taking too much time on this explanation, but there is one other point I want to make and that is in connection with our so-called blue-collar workers. We have been fortunate in maintaining about the same amount of money in

those items for the last 2 or 3 years, but this last year there was a big increase in wages, but no increase in money; consequently, there was a decrease in personnel. Up to 20 percent is a pretty high increase in wages in the last 2 years. The heaviest part of it was on the west coast. Is that right, Mr. Neilson?

Mr. NEILSON. That is right.

Mr. WIRTH. It has gone up considerably and that just means a reduction in personnel. That is the only way in which we can absorb those increases.

Now I think that pretty well covers the general picture.

PURPOSE OF CONSTRUCTION FUNDS

As I say, our construction funds are almost entirely devoted to improving our facilities for maintenance and operation and to complete those things that are already started that are deteriorating unless we put the final touches on them and get them in shape so they can be used.

There is a big item for the Baltimore-Washington Parkway. That takes care of better than 50 percent of our construction funds. It takes close to $7 million out of the $12 million. Therefore, our construction funds are cut down to just the bare necessities and in our management and protection and maintenance and rehabilitation funds, there are slight increases. They are very, very small.

PROTECTION FORCE

We appreciated very much that last year's amendment did not force us to cut our protection force, but we had to cut the personnel in back of that protection force, such as clerks and so forth, who took care of the accounting of money and things of that sort which hurt us considerably. This budget just barely gets us by with about what we had last year even though it shows some increase in funds. However, when you add to last year's funds the wage increases, there is very little actual increase for additional personnel. Any cut on this budget would just about ruin us, and we would be forced to make that major decision between collecting our funds and protecting our property.

I wanted to explain to you fully our position and just where we stand.

EFFECT OF REDUCTIONS UPON NUMBER OF PERSONNEL

Mr. NORRELL. You would still have to keep the personnel that you had appropriations to cover doing the jobs that they are presently doing though; would you not, Mr. Wirth?

Mr. WIRTH. Yes, sir; insofar as we have money.

Mr. NORRELL. You would only have to reduce where your appropriations might be reduced. Whatever we cut, reductions would have to be reflected in your operation in those specific fields.

Mr. WIRTH. That is right.

Mr. NORRELL. You couldn't go to some other program and transfer your personnel to that which was cut.

Mr. WIRTH. No, we have to stick to our budgetary breakdown. That is the point.

Mr. NORRELL. You would simply reduce your activities in keeping with and in accordance with the reduction in the appropriations made.

Mr. WIRTH. Well, maybe I didn't make myself clear, Mr. Chairman. What I was particularly afraid of was the across-the-board 10-percent cut which we got last year which would affect every item and which would just about ruin us.

Mr. NORRELL. I would a lot rather cut your budget specifically and tell you where it was, and say, "There it is," than to cut it generally and let you perhaps cut some item that we might not agree on.

Mr. WIRTH. Of course, that is the committee's privilege; that is what they did last year and that is all right, but when we got the 10 percent on top of it, it just made it all the tougher.

COMPARISON OF APPROPRIATIONS—LAST 20 YEARS

Mr. NORRELL. I do realize that in looking over the appropriations that we have made from 1933 to 1952—that is through this fiscal year—I do see where way back in 1933 you had approximately $11 million and that was increased to $26 million and then in World War II you came down some. Then, even in 1950, you got $30 million plus. In 1951 you got $33 million plus.

I realize that when you figure what a dollar will buy today and what it would buy in 1933, or even 1939 or 1940 or 1950, there is a considerable difference. I know that.

Mr. WIRTH. I would like to point out too, if I may, Mr. Chairman, that in the thirties through to 1942, and even a little bit into 1943, I believe, we had the advantage of certain other funds that I do not think are included in here, like the CCC operations. That also made a difference.

Mr. NORRELL. We are on the general question now. We haven't come to the specific items.

Mr. Jackson, do you have any questions?

EFFECT OF 1952 PERSONNEL REDUCTION ON REVENUES

Mr. JACKSON. Yes, I have questions in connection with his general statement. As I understand it, you have taken a 10-percent cut in personnel over the previous year.

Mr. WIRTH. That was in the 1952 appropriation.

Mr. JACKSON. From what I read here in the Summary of Appropriations, Revenue and Visitors, on page 1 of the justification, you have had about a 4 million increase in visitors from 1951 to 1952. Is that right?

Mr. WIRTH. That is correct.

Mr. JACKSON. What about the personnel situation with reference to that?

Mr. WIRTH. Well, the personnel is an actual reduction in 1952—from 1951 to 1952 there is an actual reduction in personnel. In other words, we got a bigger visitation, we took in proportionately less money—we only took in $7,000 more and we had 4 million more people to tap. The reason we didn't collect their entrance fees was because we had fewer personnel to do it and to protect the areas.

Mr. JACKSON. I have heard stories about people not being available at the park entrance or at the gates to collect the entrance fee. What is the reason for that situation?

Mr. WIRTH. I had read, I believe, before you came in, a letter which was written to Congressman Allen which points out—for instance, I might just read the superintendent's answer to that because we asked for an explanation. He says:

> Considering all factors it will cost $15 a day to operate a checking station on an 8-hour shift, and about $30 for 16 hours, which is necessary for complete coverage. Even during the middle of the summer we are only able to maintain a 16-hour shift 3 days a week. We lose considerable revenue through this arrangement.
>
> The average weekday take at Crystal Cave would be about $150. Full operation of this trip requires a power-plant operator, cashier, and three ranger-naturalist guides. When all these things are worked out, the cost of a day's operation is about $55. The fact that Wednesday shows about 30 percent higher use than other weekdays would indicate that some Monday and Tuesday people came on that day. Perhaps we lose $150 net each week because of the 5-day week.

REVENUE LOST THIS YEAR

Mr. JACKSON. Do you have any estimate, Mr. Wirth, as to the amount of revenue you may have lost during the past calendar year? That is, 1951, as a result of that inadequacy?

Mr. WIRTH. Yes. I would say based on your past experience that this last year, we lost about $400,000 of revenue to the United States Government by not manning our stations the full time and the full season. We operated about 75 days when we should have operated about 100 days and we only operated about 8 hours when we should go from 14 to 16 hours; and 7 days a week instead of 5 days a week.

Mr. JACKSON. What about the cost of personnel for that extended operation?

Mr. WIRTH. The cost of that personnel to collect that extra $400,000 would be about $150,000 or $200,000.

Mr. JACKSON. So that over $200,000 net has been lost.

Mr. WIRTH. That is right; due to lack of funds. I might just say that our present operations as presented in this budget are the same as last year's operations to all intents and purposes. There are a few minor changes, but no increase that would pick up that additional $400,000 or $500,000. In other words, to pick it up we would have to have more money than is indicated in this budget.

MAINTENANCE BACKLOG

Mr. JACKSON. Your biggest problem right now is obtaining sufficient personnel to just keep the routine maintenance in the parks?

Mr. WIRTH. That is right. And this past year, Mr. Jackson, even our backlog that we have been eliminating for the last 3 or 4 years since the war at the rate of about $500,000 a year of back maintenance and deterioration that accrued during the war is again falling behind. We have about 5 million of backlog left on the roads and trails and 5 million left on other physical facilities and so forth, and we have been catching up on it at the rate of about $500,000 a year.

Last year we started going back a little bit. We haven't been keeping up with our yearly problem, and we haven't been removing our backlog so our backlog is increasing rather than decreasing.

Mr. JACKSON. I want to congratulate you upon your new assignment as Director. I know that, with your long experience in the Park Service, you are going to do a fine job. I think it is an excellent idea to promote career people within the Service. It gives encouragement to people who go into the Park Service as a career and I want to compliment you on the fine job you have done. I have known about it over the many years that I have been in Congress. I know that you will continue to do a fine job as Director. That is all, Mr. Chairman.

Mr. WIRTH. Thank you very much.

Mr. NORRELL. Mr. Furcolo.

Mr. FURCOLO. I would like to supplement what Mr. Jackson said.

Mr. WIRTH. Thank you, sir.

COOPERATION FROM MILITARY CAMPS

Mr. FURCOLO. Has there been any attempt to get cooperation from any of the military camps near any of these parks, if there are any nearby, with reference to this policing and manning of posts, and work of the type that the rangers do. I don't know how accurate my information is but I have been of the belief that in many camps there are some men with a good deal of spare time on their hands who would be glad to cooperate.

Mr. WIRTH. I will admit we have made no attempt to do that. I will say this, and this is just a personal opinion, that I doubt very much whether we could convince the military services to come over and help take care of our park. We do entertain free about 500,000 people in uniform each year. In other words, they come in without paying.

There is only one particular thing that happened with the military which we are quite pleased about: The engineers down south of Washington have a lot of acreage down there and they were using that for practicing. Our superintendent at Prince William County Forest Park near Quantico got in touch with the Army there and suggested that, instead of making bridges and building roads and then covering them up and letting the next group come in and do the same, why not come down and build our roads for us and build our bridges for us?

He made arrangements with them whereby they did come down and for between ten and fifteen thousand dollars worth of gas and oil which we put up, we got about half a million dollars worth of work done. I figured that the Army made money on it because they saved gas and oil and also their men knew they were doing something constructive, and not something just to tear up and do over again. There was a morale factor for them and it saved the taxpayers at least $400,000.

Mr. FURCOLO. It seems that it is something that might be looked into. If you do look into it, let me know if you don't get any results. Not that I would be able to get any, but I would like to know about it.

Mr. WIRTH. We will make an effort along that line and keep you posted as we go along.

SEVERITY OF MAINTENANCE PROBLEM

Mr. FURCOLO. Those pictures that you showed a little while ago. I assume that they were probably pictures that were intended to show what I might call the worst aspects of the situation.

Mr. WIRTH. That is right.

Mr. FURCOLO. That is what I would do if I were in your situation and I assume that is what you have done.

Mr. WIRTH. You are right.

Mr. FURCOLO. Referring particularly to the first one where along a road that is traveled there was more or less of a cut-out there where people could stop and take pictures, frankly I didn't see anything particularly dangerous about that. Did you?

Mr. WIRTH. Yes; I do, to this extent. It ought to be better marked, there ought to be a little surface on it and a place provided for parking.

Mr. FURCOLO. I grant you that it can be in much better condition than it was.

Mr. WIRTH. It wouldn't take a great deal of money but accumulation of these kind of items would run into money.

Mr. FURCOLO. But judging just by the picture—I haven't seen it and you probably have and you could tell better by seeing it, but just going by the picture it didn't look to me as though anybody's heart would be too broken if that weren't in much better condition. As far as just pulling off the road and taking a picture is concerned. I can see where it should be better.

Mr. WIRTH. I grant you that.

Mr. FURCOLO. The point I am getting at is this: Unquestionably that could be improved greatly but if it is a question of bad times and money, in the condition we are in, it doesn't seem to me that something like that is as pressing as many other things you undoubtedly have in mind. I am wondering whether you consider that as a particularly pressing problem.

Mr. WIRTH. No, I don't. I am more interested in manning the gates, giving people proper information, protecting them, and keeping the parks in sanitary condition. That is the thing that I feel is our A–1 problem at this time.

REVENUES RETURNED TO TREASURY

Mr. FURCOLO. All the money that you take in at the entrance gates goes back to the Treasury, I assume?

Mr. WIRTH. That is right.

Mr. FURCOLO. Do you have any money at all that you have discretion to use in the sense that you will determine whether you will use it for manning gates, or fixing something, or buying something?

Mr. WIRTH. Only unless it is donated to us and there is none of that to speak of. We have no other source of funds, except direct appropriation. Is that correct, Mr. Neilson?

Mr. NEILSON. Yes. I believe the Congressman's question was whether we use any of the park revenues. We do, but to only a small extent. In Yellowstone, we use $20,000 a year to provide school facilities for the children of park employees.

Mr. WIRTH. That is a special authorization of Congress for that purpose.

Mr. FURCOLO. What I was getting at is that it is rather bad business practice, to go without people on the gates considering the money the people would bring in. Your hands are tied on it and you have no other money available to you to be able to correct the situation.

Mr. NEILSON. All the park revenues go into the Treasury and we rely on appropriations for our operating needs.

Mr. NORRELL. Mr. Jensen.

COMPLIANCE WITH JENSEN AMENDMENT

Mr. JENSEN. When you referred to the 10 percent reduction in force which Congress imposed in fiscal year 1952, I presume you were referring to the Jensen amendment?

Mr. WIRTH. I was, sir.

Mr. JENSEN. I am very pleased to know that you complied with that law and that you have seen fit not to fill 10 percent of your vacancies. I was sure the Park Service would do it, because I have always had the highest regard for the integrity, truth, and veracity of the Park Service. I have met an awful lot of you fellows all over this United States, as well as in Washington. I know that you are good Americans. I know that you realize the money you spend here has little to do with the defense of our Nation. I am very sure, since you know full well we are at war today—call it what they will—that you are willing to carry on with about the same appropriation which you had last year. Now I see that you are doing that because you are only asking for an additional amount about equal to the raise in pay. I want to congratulate you for that.

PARKING SPACES AND RELATED FACILITIES

There is a thing that I have been quite interested in: In traveling quite extensively over this country and visiting many parks in past years, I noted that the free parking space in most of the parks was very small. That is the space that was allotted to each family.

Along with other members of the committee, I insisted that that space be enlarged. I know it has been enlarged in some places.

After all, it is the poor folks with families who come into those parks in whom we should be most interested in serving and for whom we should make space available. They don't have a lot of money. They have to pitch a tent or live as best they can in order to give their family a little recreation in the national park. For the well-to-do folks there is every kind of a housing facility they need, from cabins to the fine big hotels in most of the parks.

Mr. WIRTH. May I interrupt there to say that those in the low-income groups get the most out of coming to the parks. It is of more value to them.

Mr. JENSEN. I am sure of that. We have appropriated money in the past to build fireplaces and sanitary facilities for those key parking spaces. May I ask you, are you going forward with moderate construction of fireplaces and sanitary facilities and the other things that will serve these people who have to camp out, so to speak? Are you going forward with that program and making it just as comfortable as you can for those people?

Mr. WIRTH. We are going forward with it, sir, but there is not anywhere near enough to keep up with the increased use. The biggest part of this increased use is from this group of people of which you are speaking. I would say 98 percent of the use is from the middle- and low-income groups.

The family who gets in its car and throws what things it can in the car and stays in the park in the camp grounds, that is the big increase.

We have places where there are not sufficient camp grounds and when you drive around the areas you find long lines waiting to get to the toilet facilities. We are away behind and we are doing what we can. What we have got is going downhill due to lack of maintenance funds.

With regard to these pictures, I brought in the worst pictures. Most of the time people see pictures like this (indicating a picture of Glacier National Park on the wall of the committee room) showing the grandeur of the national park and the beautiful scenery. However, the conditions of maintenance and operation are often overlooked. They take them for granted. It is becoming a tremendous problem to us. We actually get scared when we go into some of these areas, and see the bad health conditions that are developing in some locations. Some of these camps and areas are approaching the level of rural slums and need taking care of. We need money for sanitation and we need money to clean up after them, and so forth.

I do maintain, referring back to the chairman's question, that, if we can keep our part clean, I think they will do less in the way of vandalism and keep their own camps clean.

Mr. JENSEN. That is right. You hardly ever see anybody carving their name on something beautiful.

Mr. WIRTH. No, but if you let one carve and let it stay there, the next fellow comes in and the first thing you know they are all carved up. If the toilet facilities are not maintained clean, people won't take care of them.

Mr. NORRELL. We are through, then, with the general questioning and at this point in the record I would like to have inserted page 1 of the justification and also page 7.

(The information referred to is as follows:)

Comparative summary of the 1952 appropriations and the 1953 budget estimates

Appropriation and activity	Appropriated, 1952	Transfers from other agencies	Pay increases, Public Law 201, etc.	Adjusted appropriation	Increase (+) or decrease (−)	Budget estimate, 1953
Management and protection:						
1. Management of park and other areas	$6,087,105		$491,720	$6,578,825	+$343,995	$6,922,820
2. Forestry and fire control	607,105		28,000	635,105	+18,895	654,000
3. Soil and moisture	88,500		2,700	91,200		91,200
4. Park and recreation programs	699,890		49,600	749,490	+100,310	849,800
5. Concessions management	252,400		20,780	273,180		273,180
Subtotal	7,735,000		592,800	8,327,800	+463,200	8,791,000
Maintenance and rehabilitation of physical facilities:						
1. Roads and trails	3,853,000		15,650	3,868,650	+270,350	4,139,000
2. Buildings and utilities, etc	3,516,790	17,200	114,750	3,648,740	+216,260	3,865,000
Subtotal	7,369,790	17,200	130,400	7,517,390	+486,610	8,004,000
Construction:						
1. Parkways	5,825,000			5,825,000	+2,260,000	8,085,000
2. Roads and trails	2,500,000			2,500,000	+175,000	2,675,000
3. Buildings and utilities, etc	1,295,000			1,295,000	+430,000	1,725,000
4. Acquisition of lands and water rights	1,750,000			1,750,000	−1,485,000	265,000
Subtotal	11,370,000			11,370,000	+1,380,000	12,750,000
General administrative expenses:						
1. Departmental expenses	684,816		51,936	736,752	+51,623	788,375
2. Regional office expenses	486,958		38,954	525,912	+45,713	571,625
Subtotal	1,171,774		90,890	1,262,664	+97,336	1,360,000
Grand total	27,646,564	17,200	814,090	28,477,854	+2,427,146	30,905,000

Summary of appropriations, revenues, and visitors

Year	Appropriations	Revenues	Travel year visitors	Year	Appropriations	Revenues	Travel year visitors
1933	$10,740,620.00	$628,182.06	3,481,590	1943	$5,487,365.00	$1,061,992.41	6,908,749
1934	8,944,976.00	729,152.99	6,337,206	1944	4,563,560.00	807,601.19	8,146,464
1935	11,319,640.00	905,394.85	7,676,490	1945	4,740,810.00	824,078.16	10,521,375
1936	15,871,390.00	1,136,025.68	11,989,793	1946	5,487,375.00	1,592,946.98	21,682,782
1937	16,136,080.00	1,398,691.66	15,133,432	1947	26,027,955.00	2,923,586.63	25,265,229
1938	21,631,380.00	1,508,126.61	16,331,467	1948	10,628,055.00	3,303,327.51	29,608,318
1939	26,034,697.29	1,567,333.70	15,530,636	1949	14,047,649.00	3,467,606.44	31,864,180
1940	21,098,282.00	1,928,077.93	16,755,251	1950	30,104,850.00	3,527,606.03	32,780,232
1941	9,370,030.00	2,179,118.85	21,050,426	1951	[1]33,975,700.00	3,534,372.01	36,708,494
1942	14,609,775.00	2,080,702.37	10,768,661	1952	27,646,564.00		

[1] Does not include $2,135,000 rescinded by the Supplemental Appropriation Act, 1952 (Public Law 253), pursuant to sec. 1214 of the General Appropriation Act, 1951 (Public Law 136).

MANAGEMENT AND PROTECTION

Amounts available for obligation

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate	$7,643,700	$7,735,000	$8,791,000
Transferred from "Construction, National Park Service," pursuant to Public Law 759, 81st Cong	90,000		
Adjusted appropriation or estimate	7,733,700	7,735,000	8,791,000
Proposed supplemental due to pay increase		440,000	
Prior year balance reappropriated		74,448	
Balance transferred from "Mississippi River Parkway, National Park Service," pursuant to Public Law 759, 81st Cong	103,110		
Reimbursements from other accounts	43,639	21,916	33,926
Total available for obligation	7,880,449	8,271,364	8,824,926
Balance reappropriated for subsequent year	−74,448		
Unobligated balance, estimated savings	−36,871		
Obligations incurred	7,769,130	8,271,364	8,824,926
Comparative transfer from "Maintenance and rehabilitation of physical facilities, National Park Service"	66,639		
Total obligations	7,835,769	8,271,364	8,824,926

Obligations by activities

Description	1951 actual	1952 estimate	1953 estimate
Direct Obligations			
1. Management of park and other areas	$6,043,511	$6,434,725	$6,922,820
2. Forestry and fire control	567,283	626,405	654,000
3. Soil and moisture conservation	95,041	91,200	91,200
4. Park and recreation programs	839,311	823,938	849,800
5. Concessions management	246,984	273,180	273,180
Total direct obligations	7,792,130	8,249,448	8,791,000
Obligations Payable Out of Reimbursements From Other Accounts			
1. Management of park and other areas	18,843	15,336	28,651
2. Forestry and fire control	294		
4. Park and recreation programs	22,602	6,580	5,275
5. Concessions management	1,900		
Total obligations payable out of reimbursements from other accounts	43,639	21,916	33,926
Total obligations	7,835,769	8,271,364	8,824,926

Obligations by objects

Object classification	1951 actual	1952 estimate	1953 estimate
Summary of Personal Services			
Total number of permanent positions	1,463	1,471	1,507
Full-time equivalent of all other positions	329	333	377
Average number of all employees	1,685	1,708	1,809
Average salaries and grades:			
General schedule grades:			
Average salary	$4,087	$4,524	$4,562
Average grade	GS-6.6	GS-6.6	GS-6.6
Crafts, protective, and custodial grades:			
Average salary	$2,833	$3,147	$3,200
Average grade	CPC-4.4	CPC-4.5	CPC-4.5
Ungraded positions: Average salary	$3,439	$3,882	$3,974
Personal service obligations:			
Permanent positions	$5,210,368	$5,891,240	$6,162,510
Part-time and temporary positions	900,026	1,012,726	1,157,726
Regular pay in excess of 52-week base		22,932	23,705
Payment above basic rates	145,270	139,812	140,400
Total personal service obligations	6,255,664	7,066,710	7,484,341
Direct Obligations			
01 Personal services	6,231,326	7,050,096	7,456,911
02 Travel	214,922	193,422	198,500
03 Transportation of things	20,063	19,887	24,700
04 Communication services	43,127	49,175	52,175
05 Rents and utility services	178,917	186,461	191,300
06 Printing and reproduction	116,405	120,148	122,500
07 Other contractual services	244,242	203,022	277,561
Services performed by other agencies	133,833	88,742	43,740
08 Supplies and materials	315,549	250,984	294,893
09 Equipment	287,927	75,006	114,220
13 Refunds, awards, and indemnities	925		
15 Taxes and assessments	4,894	12,505	14,500
Total direct obligations	7,792,130	8,249,448	8,791,000
Obligations payable out of reimbursements from other accounts			
01 Personal services	24,338	16,614	27,430
02 Travel	3,504	815	696
03 Transportation of things	1,237		
04 Communication services	31	50	
05 Rents and utility services	982	12	
06 Printing and reproduction	233		
07 Other contractual services	3,873		500
08 Supplies and materials	787	175	1,050
09 Equipment	8,588	4,250	4,250
15 Taxes and assessments	66		
Total obligations payable out of reimbursements from other accounts	43,639	21,916	33,926
Total obligations	7,835,769	8,271,364	8,824,926

Analysis of expenditures

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations start of year		$868,099	$795,000
Obligations incurred during the year	$7,769,130	8,271,364	8,824,926
Transfer of unliquidated obligations from "Mississippi River Parkway, National Park Service," pursuant to Public Law 759, 81st Cong	2,805		
	7,771,935	9,139,463	9,619,926
Deduct:			
Reimbursable obligations	43,639	21,916	33,926
Unliquidated obligations, end of year	868,099	795,000	800,000
Total expenditures	6,860,197	8,322,547	8,786,000
Expenditures are distributed as follows:			
Out of current authorizations	6,860,197	7,184,419	8,109,128
Out of prior authorizations		725,000	650,000
Out of anticipated 1952 supplemental for pay increases		413,128	26,872

Mr. NORRELL. We will now take up management and protection.

You will find a general summary of the whole appropriation on page 7 of the justification.

The page of the bill on management and protection is 129.

Please explain briefly the increases in this item which totals $463,200 outside of your increases in salary under the new law.

Mr. WIRTH. With your permission, Mr. Chairman, I would like to let Mr. Neilson answer the detailed questions if I may. He has all the details.

BREAKDOWN OF INCREASES

Mr. NORRELL. We would like a brief statement of the actual new money over and above your salary increases that you are asking for.

Mr. NEILSON. I will do that, Mr. Chairman. This appropriation is the one that finances all our management and protection staff in the field areas. It includes on-site management, forestry and fire-suppression funds, soil and moisture funds, park and recreation programs, and concessions management.

The 1952 appropriation was $7,735,000. In order to partially meet the legislative pay costs, we have included $592,800, to arrive at an adjusted appropriation base of $8,327,800.

In addition to that amount, we are asking for an increase, an over-all increase, of $463,200. The major portions of that increase are $343,995 for on-site management and protection. That is the money which is spent in the field areas for those purposes.

ADDITIONAL POSITIONS

Mr. NORRELL. What will you actually do with that money? What additional employees will you have?

Mr. NEILSON. Of that money, there will be $107,201 for additional personal services. That includes 51 additional seasonal rangers and naturalists and guides. It also includes money to lengthen the employment of some of our temporary rangers. The travel season has tended to increase. They start coming earlier and they come later than formerly, with the result that instead of having seasonal rangers on for 75 days each year, we should have money for approximately 90 to 100 days.

That constitutes the biggest increase.

We also have included in that amount, $59,253 for 17 new permanent positions. Now most of those are for additional areas, the largest increase being for the Shadow Mountain Recreational Area which is adjacent to Rocky Mountain National Park.

We are also asking for $84,401 for additional supplies and materials and to meet the rising costs on those. $26,950 is included for new equipment.

FORESTRY AND FIRE CONTROL INCREASES

Under the forestry and fire control activity, we are asking for an increase of only $18,895. That money is to provide for five additional seasonal fire-control aides at Everglades National Park. We have had serious fires down there recently. It is a new area and the five additional seasonal fire-control areas are necessary for fire control and protection. Also included is about $4,500 for a smoke jumper unit

at Yellowstone. We have a cooperative agreement with the Forest Service, where we draw on their smoke jumper units. It is a great saving in reducing fire-fighting costs.

There is a small amount in addition for manning a new fire look-out station on Blue Ridge Parkway.

PARK AND RECREATION PROGRAM INCREASES

There is a $100,310 increase in the park and recreational programs and I will let Mr. Lee handle that.

Mr. LEE. Mr. Chairman, the entire increase of $100,310 is to finance work that we have been asked to do in connection with river basin programs which have been growing and which involve heavy responsibilities for the National Park Service.

RIVER BASIN SURVEYS

The two principal items in the $100,310 are to finance our work on the survey of the New York-New England area, and the Arkansas-White-Red River study.

Mr. NORRELL. When you use the word "survey" what do you mean by that? What are you surveying for?

Mr. LEE. We have found, sir, that in the river basins, there are recreational resources of great importance.

In the TVA, which is an already-developed area and which illustrates the kind of problem we are facing, they now have 6 million visitors to the various TVA lakes. There is $21 million invested in recreation there, by 1949, much of it private investment. There are 15,000 boats on the lakes down there, and they had to plan a whole recreational program in advance of the construction of the dams and the filling in of the reservoirs.

It is a basin-wide survey to determine what spots in connection with the river basin lend themselves to recreational use, what facilities may be needed, what reservoirs are not suitable for recreation——

Mr. NORRELL. I know that, now, but why is it necessary to survey any area where public works are not either presently being constructed or are in the planning stage?

Mr. LEE. In most of these areas public works, I believe, sir, are in contemplation. That is certainly true, there are many dams on the Arkansas, the Red River and the White that are projected or under construction.

Mr. WIRTH. The survey of the entire river basin is to determine what recreational areas, the number of them and where they should be, in connection with these reservoir areas. In other words, the entire analysis is necessary to determine what you need, just like, when you determine what dam you are going to build, you ought to determine the entire drainage area needs and what you need for flood control and what you need for irrigation, and so forth.

Mr. NORRELL. I know what the river basin program is, but take for example a project in my State. I am very much interested in Blakeley Mountain Dam. We know we have a reservoir back there that makes a beautiful lake. We need no planning for that. We know it already. We know we ought to have recreational facilities there. We may not know exactly what we need.

Now do you come in to tell us how you think the recreational facilities ought to be constructed?

Mr. WIRTH. We make the study from the standpoint of the probable demand and need for recreation, in order that the plan can be carried out as the dam is being considered. In other words, what additional lands are needed in public ownership and what facilities would be required in order to protect properly and make available those facilities to the public.

Mr. NORRELL. Do you have any other statement you care to add to that?

Mr. LEE. I would like to, if I may, just show a couple of pictures that illustrate the crowded conditions at these reservoirs, and to illustrate the hazards and the sanitary problems that crowd in as soon as the reservoirs are finished, if there is no planning in advance. Just a few of these, I think, will convey the general idea of what happens.

Mr. WIRTH. It isn't our intention that, after the studies are made, the National Park Service should take over the development of them, but we work as far as the study, design, and layout are concerned and then try to fix it so the local people will be able to take over and develop it along lines which we think are best for we believe we are better qualified to make the studies than the local people.

Mr. NORRELL. Let us get down to this swimming beach at Great Salt Plains in Oklahoma. What would your planning do to change the picture of that?

Mr. WIRTH. Looking at this picture, and we see there is no parking area, just a bunch of cars parked in every which way. A proper plan would provide the placing of the cars in proper locations so it would not affect the beach from the standpoint of exhaust, noises, and oil, which is unsanitary; it would provide the placing of safety lines for swimming, the docks; providing sanitary facilities according to the analysis of the number of people who would be there, and how much land you need in back in order to support your water front.

Mr. NORRELL. That is very good and it is all needed but the next question is, would not somebody else be down there, maybe the county or the town, or the city could provide someone to do that mental work? Do they have to have that done by the Federal Government?

Mr. WIRTH. In my opinion, I would say yes, and I base my answer on my many years of experience in knowing that it takes experience to know the habits of people and what they need for recreation. There are very few counties and especially in small counties out in the western section of the country that have the knowledge or the resources to go ahead and plan it. Furthermore, it should be planned when the reservoir is considered and not after the lake is built because your values go up when the dam is built, further, your land is gone to some other use or commercialized so you will have no public beach. Planning for recreation should be done at the same time you plan the reservoir.

STATE PARK ORGANIZATIONS

Mr. NORRELL. Do the different States have park services?

Mr. WIRTH. We work very closely with such organizations.

Mr. NORRELL. Couldn't they come in and do that?

Mr. WIRTH. Some of them could, but most of those are in the populated States in the East and most of these reservoirs in the West

have very few of the proper State park organizations. That is for two reasons: (1) There has not been the demand due to the population, and (2) there is a considerable amount of Federal land and they have been using Federal land for recreation purposes. In fact, in some States such as Utah, we don't believe they need a State park organization because there is no need for it. The demand isn't there and there is no necessity for it. There is no need for the State to spend money on it.

Mr. NORRELL. How does the number of visitors relate to the size of the protection force needed?

Mr. WIRTH. May I have that again?

Mr. NORRELL. How does the volume of business relate to the force needed to protect the park? Just as you indicated in your general statement a while ago. Is that the picture there?

Mr. WIRTH. We are trying to struggle with a formula which we could present as to the needs of personnel in proportion to the number of visitors. We have not worked that out to a point where we would want to present any particular figure.

I can say this: In Yellowstone, for instance, I told you that in 1928 they had 95 temporary and permanent rangers. Now we have about 75 and we have about five times as many people. It doesn't necessarily hold that we had the right number in 1929 or that we need five times as many now. In other words, you can take care of more with less. What that proportion is depends on concentration and so forth.

Certainly, now in the Upper Geyser Basin of Yellowstone—I use that because that was the area I was in and trying to make a careful study of this summer—there is an average of one and a half rangers, day-around stationed in the Upper Geyser Basin, based on 7 days, 24 hours a day.

We figure it would take an average of between seven and eight in order to give the geyser formations proper protection and to prevent this increasing vandalism and breaking into cars and things of that sort.

I would say, if I used that as an example, which is a concentrated area and it would not be proper to apply all over. Just for estimate purposes, I would say we need about twice as many rangers as we have at the present time in order to do it right.

INTERPRETIVE SERVICES—NATIONAL CAPITAL PARKS

Mr. NORRELL. Now if you are crowded as you say you are, you might discuss briefly the nature of the interpretive services programs. I would like for you to comment on that a little, if you will.

Mr. WIRTH. What we try to do in our naturalist program is to present to the public in an intelligent and pleasant way the phenomena and the scenery and the means by which the people can understand what they see and get the most out of their visit to the area. All our ranger naturalists are instructed—a large proportion of them are temporaries—about the formations, like the geyser basins, or the big trees in Sequoia and King's Canyon National Parks and they take the people around in groups and explain these things to them and explain the policy of the Government in preserving these areas for their use and try to tell them how they can best get enjoyment out of them and protect themselves as well as the area in the use of it.

Mr. NORRELL. Now explain whether or not you are extending your archeological aid to new areas or just what you are doing in that field.

Mr. WIRTH. I will relay that to Mr. Lee.

Mr. LEE. We have some work of that kind in the areas of the national park system itself. In the Southwest, there are 21 archeological units. In many of the other parks there are collections in the museums throughout the park service, too, that have values of that kind.

We are doing a small amount of work where it is made necessary. For example, at Mesa Verde, when the parking area was constructed it was constructed right over some prehistoric pit houses and we had to remove the end, which was one of the features of the park, before the parking area was put in.

We are only doing that salvaging work where it is absolutely necessary. Outside the park service area our work is on a reduced scale. It is recovery of material from reservoir before the flooding takes place.

I think our request here is for $64,000 for all of the reservoirs in the United States outside of the Missouri River Basin.

Mr. NORRELL. How much in the Missouri River Basin?

Mr. LEE. That figure appears in the Bureau of Reclamation estimates and I think it is $165,000.

Mr. NORRELL. The gentleman from Massachusetts.

Mr. FURCOLO. No questions.

Mr. NORRELL. Mr. Jensen.

Mr. JENSEN. I have no questions.

Mr. WIRTH. We also handle the archeology work on the public domain for the Bureau of Land Management. There isn't a great deal but every once in a while it requires considerable amount of work on our part to report and investigate archeological remains on the public domain.

MAINTENANCE AND REHABILITATION OF PHYSICAL FACILITIES

Amounts available for obligation

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate	$7,350,000	$7,369,790	$8,004,000
Transferred from "Construction, National Park Service," pursuant to Public Law 759, 81st Cong	60,000		
Adjusted appropriation or estimate	7,410,000	7,369,790	8,004,000
Proposed supplemental due to pay increases		79,000	
Reimbursements from other accounts	1,867,464	1,820,138	1,821,292
Total available for obligation	9,277,464	9,268,928	9,825,292
Unobligated balance, estimated savings	−52,807		
Obligations incurred	9,224,657	9,268,928	9,825,292
Comparative transfer to "Management and protection, National Park Service"	−66,639		
Comparative transfer from "Operating expenses, General Services Administration"	16,727	17,200	
Total obligations	9,174,745	9,286,128	9,825,292

Obligations by activities

Description	1951 actual	1952 estimate	1953 estimate
Direct obligations			
1. Roads and trails	$3,776,498	$3,867,745	$4,139,000
2. Buildings and utilities, etc	3,530,783	3,598,245	3,865,000
Total direct obligations	7,307,281	7,465,990	8,004,000
Obligations payable out of reimbursements from other accounts			
1. Roads and trails	71,174	61,035	61,035
2. Buildings and utilities, etc	1,796,290	1,759,103	1,760,257
Total obligations payable out of reimbursements from other accounts	1,867,464	1,820,138	1,821,292
Total obligations	9,174,745	9,286,128	9,825,292

Obligations by objects

Object classification	1951 actual	1952 estimate	1953 estimate
Summary of personal services			
Total number of permanent positions	1,022	1,071	1,113
Full-time equivalent of all other positions	604	607	712
Average number of all employees	1,514	1,571	1,765
Average salaries and grades:			
General schedule grades:			
Average salary	$3,896	$4,366	$4,453
Average grade	GS-6.0	GS-6.1	GS-6.2
Crafts, protective, and custodial grades:			
Average salary	$3,283	$3,628	$3,703
Average grade	CPC-5.7	CPC-5.8	CPC-5.8
Ungraded positions: Average salary	$2,971	$3,052	$3,055
Personal service obligations:			
Permanent positions	2,932,515	3,252,543	3,613,733
Part-time and temporary positions	1,667,803	1,704,359	2,049,965
Regular pay in excess of 52-week base		12,536	13,962
Payment above basic rates	65,173	53,884	60,780
Total personal service obligations	4,665,491	5,023,322	5,738,440
Direct Obligations			
01 Personal services	3,943,380	4,285,447	5,009,769
02 Travel	46,902	57,954	64,675
03 Transportation of things	45,506	66,691	55,545
04 Communication services	10,945	11,167	16,210
05 Rents and utility services	178,969	408,990	389,160
06 Printing and reproduction	2,938	2,255	1,940
07 Other contractual services	740,159	588,857	475,285
Services performed by other agencies	182,634	121,741	106,980
08 Supplies and materials	1,415,227	1,443,692	1,384,333
09 Equipment	725,617	458,524	476,293
13 Refunds, awards, and indemnities	2,788	60	60
15 Taxes and assessments	12,216	20,612	23,750
Total direct obligations	7,307,281	7,465,990	8,004,000
Obligations Payable Out of Reimbursements From Other Accounts			
01 Personal services	722,111	737,875	728,671
02 Travel	8,812	3,275	3,325
03 Transportation of things	5,658	6,796	6,796
04 Communication services	310	696	696
05 Rents and utility services	126,030	105,797	107,515
06 Printing and reproduction	655		
07 Other contractual services	66,361	88,793	89,195
08 Supplies and materials	905,719	850,633	859,330
09 Equipment	31,330	23,783	23,333
15 Taxes and assessments	478	2,490	2,431
Total obligations payable out of reimbursements from other accounts	1,867,464	1,820,138	1,821,292
Total obligations	9,174,745	9,286,128	9,825,292

Analysis of expenditures

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year		$1,470,449	$1,436,005
Obligations incurred during the year	$9,224,657	9,268,928	9,825,292
	9,224,657	10,739,377	11,261,297
Deduct:			
Reimbursable obligations	1,867,464	1,820,138	1,821,292
Unliquidated obligations, end of year	1,470,449	1,436,005	1,600,005
Total expenditures	5,886,744	7,483,234	7,840,000
Expenditures are distributed as follows:			
Out of current authorizations	5,886,744	6,116,056	6,530,135
Out of prior authorizations		1,293,043	1,305,000
Out of anticipated 1952 supplemental for pay increases		74,135	4,865

Mr. NORRELL. We will move to the item of maintenance and rehabilitation of physical facilities, found on page 133 of the bill.

I notice you have two increases there. Will you explain briefly the increases?

Mr. NEILSON. Yes, Mr. Chairman. This appropriation is one in which we maintain all our roads and trails and in which we maintain and operate all our buildings and utilities in the 180 areas administered by the Service. There will be an amount of $130,400 to meet the legislative pay costs. In addition we are asking for an over-all increase of $486,610. Of that amount, $270,350 is for road and trail maintenance. Part of that increase is to meet the wage board increases that have been granted and in part to provide maintenance for new roads that have been added to the system, primarily at Grand Teton National Park.

An amount of $216,260 is for additional maintenance and operating funds for buildings, utilities, and other physical facilities.

It includes funds to meet wage board increases and to provide for additional seasonal services to meet the increased travel load.

Mr. NORRELL. Now give us the breakdown between additional services and actual materials that you are going to buy and use. I want to find out about the personnel increases.

Mr. NEILSON. That ratio runs approximately 60 percent for labor, 40 percent for materials and supplies.

ROAD MAINTENANCE COST PER MILE

Mr. NORRELL. What have you been spending per mile for the maintenance of roads and trails?

Mr. NEILSON. You will find that on page 40 of the justification. It is $558 per mile. That compares with the national average of $784 per mile. I might mention that the maintenance funds that we are asking for roads is 2.2 percent of the capital investment of $190 million.

Mr. NORRELL. If you are allowed the money you are asking for, will these costs be increased or not?

Mr. NEILSON. What was that?

Mr. NORRELL. Will the cost per mile be increased?

Mr. NEILSON. There will be a slight increase.

Mr. NORRELL. How much?

Mr. NEILSON. I would have to compare that with last year.

Mr. NORRELL. Put that in the record.

(The information requested is as follows:)

The 1951 appropriation provided $531 per mile for road maintenance or $27 per mile less than the $558 per mile requested in the 1953 budget.

The 1952 appropriation provided $558 per mile for road maintenance which is the same amount per mile requested in the 1953 budget.

Mr. WIRTH. This $558 per mile is based on this estimate. It would not affect the $558 here which is $226 less than the national average.

Mr. NORRELL. If you get this money there would be no increase over the figures you have in this justification?

Mr. WIRTH. That is right, but we would have to compare it to last year.

Mr. NORRELL. Do you have any carry-over of funds?

Mr. WIRTH. No; not under this appropriation.

BUILDING COSTS

Mr. NORRELL. What are your building costs per square foot? We have it for the roads, now give it to us on the buildings.

Mr. NEILSON. On new construction?

Mr. NORRELL. Yes.

Mr. NEILSON. The Bureau of the Budget has set a standard of $15 per square foot on quarters. That is on new residential construction. On the other types it would vary depending on the types of building.

Mr. NORRELL. Can you give us the figure for maintenance?

Mr. NEILSON. Per square foot?

Mr. NORRELL. Yes.

Mr. NEILSON. We do not have that and I will tell you why. It has been too difficult to arrive at because within the structures we maintain, we have many old forts. For instance, Fort Pulaski, Castillo de San Marcos, and it is hard to compute the maintenance of those facilities on a square-foot basis.

Mr. NORRELL. Do you have any way of telling us what your maintenance cost is?

Mr. WIRTH. We would have to do that individually, sir.

As Mr. Neilson said, the residence would be considerably less because the resident takes care of that himself. An office or headquarters building, we could compute that for you. It will vary depending on the age of the building and so forth and so on. Take, for instance, the Statue of Liberty. I do not know whether you would classify that as a building. It would be quite high for the square foot of actually used space.

Mr. NORRELL. Mr. Furcolo?

Mr. FURCOLO. No questions.

Mr. NORRELL. Mr. Jensen?

Mr. JENSEN. No questions.

CONSTRUCTION

Amounts available for obligation

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate	$17,687,500	$11,370,000	$12,750,000
Transferred (pursuant to Public Law 759, 81st Cong.) to—			
"Management and protection, National Park Service"	−90,000		
"Maintenance and rehabilitation of physical facilities, National Park Service"	−60,000		
Adjusted appropriation or estimate	17,537,500	11,370,000	12,750,000
Applied to contract authorization	−7,785,000	−4,150,000	
Contract authorization (permanent definite)	3,000,000		
Prior year balance available:			
Appropriation		7,875,949	60,885
Contract authorization		2,150,000	
Balance transferred (pursuant to Public Law 759, 81st Cong.) from—			
"Acquisition of lands for Great Smoky Mountains, National Park (land acquisition)"	74,989		
"Water rights, National Park Service"	36,228		
"Acquisition of lands, National Park Service"	162,824		
"Independence National Historical Park, Pa., National Park Service":			
Appropriation	402,361		
Contract authorization	3,935,000		
"Parkways, National Park Service":			
Appropriation	3,268,042		
Contract authorization	235,621		
"Roads and trails, National Park Service":			
Appropriation	1,591,752		
Contract authorization	1,826,574		
"Physical improvements, buildings and utilities, National Park Service"	1,584,932		
"Purchase of lands, National Park Service":			
Appropriation	885		
Contract authorization	1,000,000		
"Roads, trails, utilities, and buildings, National Park Service"	482,490		
Reimbursements from other accounts	37,472	57,500	40,000
Total available for obligation	27,391,670	17,303,449	12,850,885
Balance available in subsequent year:			
Appropriation	−7,875,949	−60,885	
Contract authorization	−2,150,000		
Rescission of contract authorization pursuant to Public Law 136		−1,000,000	
Carried to surplus		−1,500	
Obligations incurred	17,365,721	16,241,064	12,850,885
Comparative transfer from "National Park Service"	48,914		
Total obligations	17,414,635	16,241,064	12,850,885

Obligations by activities

Description	1951 actual	1952 estimate	1593 estimate
Direct Obligations			
1. Parkways	$6,993,648	$5,314,015	$8,085,000
2. Roads and trails	5,069,292	4,278,867	2,675,000
3. Buildings and utilities, etc	3,393,612	3,069,391	1,725,000
4. Acquisition of lands and water rights:			
(*a*) Lands	1,868,983	3,506,191	310,885
(*b*) Olympic Recreation Co. property	13,500		
(*c*) Water rights	38,128	15,100	15,000
Total direct obligations	17,377,163	16,183,564	12,810,885
Obligations Payable Out of Reimbursements From Other Accounts			
1. Parkways	16,871		
2. Roads and trails	17,273	25,000	20,000
3. Buildings and utilities, etc	3,328	32,500	20,000
Total obligations payable out of reimbursements from other accounts	37,472	57,500	40,000
Total obligations	17,414,635	16,241,064	12,850,885

Obligations by objects

Object classification	1951 actual	1952 estimate	1953 estimate
Summary of Personal Services			
Total number of permanent positions	176	155	177
Full-time equivalent of all other positions	318	146	206
Average number of all employees	450	276	361
Average salaries and grades:			
General schedule grades:			
Average salary	$4,332	$4,952	$4,948
Average grade	GS-7.5	GS-7.7	GS-8.0
Personal service obligations:			
Permanent positions	$579,192	$632,294	$760,294
Part-time and temporary positions	910,227	393,513	626,785
Regular pay in excess of 52-week base		2,432	2,936
Payment above basic rates	6,908	5,500	5,500
Total personal service obligations	1,496,327	1,033,739	1,395,515
Direct obligations			
01 Personal services	1,486,169	1,008,739	1,375,515
02 Travel	88,697	117,935	79,370
03 Transportation of things	27,651	27,336	11,875
04 Communication services	7,485	7,875	2,200
05 Rents and utility services	125,950	131,530	50,500
06 Printing and reproduction	5,019	8,975	7,250
07 Other contractual services	1,154,218	473,702	249,429
Services performed by other agencies	1,774,463	2,387,241	1,388,800
08 Supplies and materials	781,007	635,907	286,374
09 Equipment	593,578	263,256	310,725
10 Lands and structures	11,328,401	11,115,166	9,044,371
13 Refunds and awards	25		
15 Taxes and assessments	4,500	5,902	4,476
Total direct obligations	17,377,163	16,183,564	12,810,885
Obligations payable out of reimbursements from other accounts			
01 Personal services	10,158	25,000	20,000
05 Rents and utility services	2,149	7,500	2,000
08 Supplies and materials	12,442	25,000	18,000
10 Lands and structures	12,723		
Total obligations payable out of reimbursements from other accounts	37,472	57,500	40,000
Total obligations	17,414,635	16,241,064	12,850,885

Analysis of expenditures

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year		$11,966,346	$7,500,000
Obligations incurred during the year	$17,365,721	16,241,064	12,850,885
Transfer of unliquidated obligations, pursuant to Public Law 759, 81st Cong., from—			
"Acquisition of lands, National Park Service"	141,217		
"Independence National Historical Park, Pa., National Park Service"	47,736		
"Parkways, National Park Service"	3,474,904		
"Physical improvements, buildings, and utilities, National Park Service"	1,191,110		
"Roads and trails, National Park Service"	3,734,333		
"Roads, trails, utilities, and buildings, National Park Service"	504,323		
"Water rights, National Park Service"	1,141		
	26,460,485	28,207,410	20,350,885
Deduct:			
Reimbursable obligations	37,472	57,500	40,000
Unliquidated obligations, end of year	11,966,346	7,500,000	6,000,000
Total expenditures	14,456,667	20,649,910	14,310,885
Expenditures are distributed as follows:			
Out of current authorizations:			
Out of appropriations to liquidate prior-year contract authorizations		4,150,000	
Out of new obligational authority	14,456,667	3,770,000	7,350,000
Out of prior authorizations		12,729,910	6,960,885

Mr. NORRELL. We will pass to the construction item. That item is found on page 136 of the bill.

Describe briefly the entire construction program.

Mr. NEILSON. We are asking for an appropriation of $12,750,000. This is an increase of $1,380,000 over the $11,370,000 appropriation. We have four primary activities under this appropriation.

The first is parkways; second, roads and trails; third, buildings and utilities; and fourth, acquisition of lands and water rights.

By far the major portion of the appropriation requested is for parkways; namely, $8,085,000. Approximately 93 percent of that amount is to go for the two parkways which have been certified as defense projects. That is the Suitland Parkway which runs to the Andrews Air Force Base and the Baltimore-Washington Parkway between here and Baltimore.

Mr. NORRELL. I believe that is found on page 58 of your explanation. You have $6,750,000 for the Baltimore-Washington Parkway in Maryland. Go ahead.

Mr. NEILSON. $170,000 for the Blue Ridge Parkway; $145,000 for the Foothills Parkway in Tennessee; $210,000 for the Natchez Trace Parkway in Alabama, Mississippi, and Tennessee; and $680,000 for the Suitland Parkway.

We also have in that item $130,000 to provide for rights-of-way plans and advance construction plans and surveys.

PARKWAYS RELATED TO DEFENSE ACTIVITIES

Mr. NORRELL. What part, if any, of that would you say would be necessary in the national defense program?

Mr. NEILSON. I would say that the item of $6,750,000 for the Baltimore-Washington Parkway and the amount of $680,000 for the Suitland Parkway.

Mr. WIRTH. May I add a statement to that, sir?

From the defense standpoint, that is a correct statement. I might say that the addition to the Blue Ridge Parkway is for the purpose of correcting a dangerous condition which is due to the road not being complete. It dips down and meets another road. This is to provide a separation where we have had at least one fatality and possibly two.

The Foothills is to complete a project where there is now a bridge and we are bringing in a road so it can be used.

The same thing is true on the Natchez Parkway. In other words, it is the finishing up of things already started and putting them into use for the national defense.

Mr. NORRELL. This would conclude the construction of the items that you have mentioned. At least it will finish what you have already started?

Mr. WIRTH. The Blue Ridge, of course, is not completed, but this would eliminate a hazard there. On the Foothills Parkway there are three bridges and this would complete the road over them to make the spur in the Foothills complete so it could be used.

The Suitland Parkway of course, is classified as a defense highway.

AVAILABILITY OF MATERIALS

Mr. NORRELL. Will you say something about the possibility of getting the materials that you would need in the construction of these items?

Mr. WIRTH. We do not believe we will have any trouble in getting the materials for any of these items. Especially on those national-defense items, and on the others—of course, there is a bridge involved on the Blue Ridge Parkway, but we feel we can get the materials on all these items within our quotas allotted to us.

Mr. NORRELL. I wish I had your ability to get steel, because I have not been able to get much lately.

Mr. WIRTH. We have not been too successful either, but we have pretty good assurance we will be able to go ahead with this because there is not much steel involved in this on those that are not national defense.

Mr. NORRELL. Mr. Furcolo?

Mr. FURCOLO. I have no questions.

Mr. NORRELL. Mr. Jensen?

STATUS OF IMPROVEMENTS AT STATUE OF LIBERTY

Mr. JENSEN. Is the construction on the island where the Statue of Liberty is located being completed?

Mr. WIRTH. Mr. Allen?

Mr. ALLEN. All of the funds that have been appropriated to date have been expended or are under obligation for final construction now. The new dock has been built and is in use. The concession building has been improved and is in use. The landscaping is done. The seawall is done, and the walks are being completed right now.

Mr. JENSEN. Are those old unsightly buildings torn down and removed?

Mr. ALLEN. The ones in the corner of the island where the old radio station was, have been improved. The seawall there which had been damaged has been improved, but the old residences are still there. The new residences are under construction right now and the old residences will be torn down following that construction, but there is no money to pay for that tearing down now so that will remain until we have appropriations to cover it.

The old dock is still there. It still has to be appropriated for to cover the cost of construction, but the new dock is in use.

Mr. JENSEN. You have not been able to find a boat that the Government would turn over to that concession there to haul the people across from the mainland over to the island, to replace that old tug that has been in use for so long and which is a disgrace to that great statue?

Mr. ALLEN. We are still troubled with our boat service there.

Mr. WIRTH. In cooperation with the Coast Guard we are preparing definite specifications which we hope to have through by the end of March or by the end of April, certainly, and then we will put out our requirements and get bids on the service from the mainland to the Statue of Liberty based on the kind of boat that is actually needed.

I realize we have been delayed in doing that, but we have things straightened around now where we have one more continuation of the

present contract and then we are going to put it out on open bid with specifications prepared in conjunction with the Coast Guard, and we will certainly get the boat that is desirable.

Mr. JENSEN. When I went to that dock on the mainland and saw that old boat there that takes the people across to the island, I did not feel too good. I do not believe it even had an American flag on it. Nobody said a word all the way across, there where there should be a lecture about the Statue of Liberty. It was the flattest thing I ever experienced.

Mr. WIRTH. I hope there will not be more than one more year of that. I sincerely hope that by next January we will be able to correct the situation.

LIGHTING AT MOUNT RUSHMORE

Mr. JENSEN. I am glad to hear that. Is the lighting at Mount Rushmore pretty well completed?

Mr. WIRTH. Yes, sir. I went out there to see it, but the fog had set in and I did not see it that night, but I understand it is working fairly satisfactorily now. The only evening I had there, I drove on up to see it and they told me it was all right, but when I got up there the fog came in and I cannot report on it personally.

Mr. JENSEN. I am looking forward to seeing that monument lighted at night because I was the fellow who first mentioned the fact that it should be lighted and took steps to see that that was done. I am just a little proud of that because I know a lot more people are going to see that great inspiring sight of those four great statesmen.

Mr. WIRTH. I am sure there are a lot of people who appreciate what you have done in that case. I am sure a lot of people have seen it at night who are very appreciative of what you have done. However, I am sorry I cannot report I saw it myself because the fog was in the only night I was there.

Mr. JENSEN. I have seen pictures of it lighted at night.

That is all, Mr. Chairman.

CONSTRUCTION ITEMS OF EQUAL IMPORTANCE

Mr. NORRELL. Will you please state your own opinion of the priority order of importance of the construction items requested?

Mr. WIRTH. That is really a $64 question. Do you mean on all of them combined or on the facilities or the parkways separately?

Mr. NORRELL. I do not want to put you on the spot, but I would like to know what you think of their importance on a priority basis if you care to give it to me.

Mr. WIRTH. To be perfectly frank with you, if I could avoid it, I would like to avoid it. I might say this, that we naturally feel that it is a very small program. We feel from the standpoint of the parks as a whole, when you figure the things we have to do and that we have just about $4 million for our roads and trails and facilities to include all the parks in the national park system, including the National Capital Parks here, it is going to be awful hard to pick a priority on this particular list.

Mr. NORRELL. Based on your own opinion of the importance.

Mr. WIRTH. Yes, sir. I am sure you realize that we asked a great deal more of the Bureau of the Budget but they cut us way down and

we are not so sure that there are not some items that are not in here that should be in the budget in place of those that are now in. It is a small group and it is hard to determine whether one is more important than the other. There are others not even in this program that would be almost on a level with them. It is getting down to the point of whether you say your first-born or your third-born child is the most important to you. That is just about what we are coming to in this program now under consideration.

Mr. NORRELL. So you just do not want to make a distinction between your children, do you?

Mr. WIRTH. No, sir, I would never want to do that.

Mr. NORRELL. Very well. Are there any further questions on the item of construction?

ACQUISITION OF LANDS

Mr. WIRTH. May I make one statement in reference to our land item figure?

Mr. NORRELL. I wish you would.

Mr. WIRTH. The small amount we have had in the budget in the last 4 or 5 years has been of tremendous help to us and it has meant a saving to the Government.

Mr. NORRELL. What are you going to do with it?

Mr. WIRTH. We are buying in-holdings that are in the way of development and when we can buy them at a good price.

Mr. NORRELL. When you can buy them at a low price?

Mr. WIRTH. Yes. This is just barely enough to pick them up as bargains come along. It is a long-range problem. When we made our last estimate back in 1946 or 1947 there was $20 million worth of property and what the increase in value of those properties has been I do not know, but I most sincerely hope that the committee will see in its wisdom that we need this small item of $265,000 to continue to pick up these odds and ends as they become available and it will save us money in the long run, and also take up those properties as they come along in the way of our improvements.

Mr. NORRELL. This item has been in the bill continually ever since I have been a member of the committee, which has been a long time.

I am wondering if we are actually enlarging and expanding the national parks or if we are just operating within the limits of the existing parks to take up the privately owned land here and yonder, and not extending the boundaries of the parks.

Mr. WIRTH. We have no authority and we have not spent a cent of this money outside of the boundaries of the parks established by Congress.

Mr. NORRELL. Do you know when you will complete this?

Mr. WIRTH. We figure if we had a million dollars a year for 20 years we would get maybe 90 percent of the land out of the parks, but at this rate with rising prices, I do not know, and 250 years is a good estimate.

REVENUE FROM VARIOUS PARKS

Mr. NORRELL. Do you keep a record of the income from the national parks and to what percent the several parks are self-sustaining? My point is, I used to claim that my park in Arkansas, Hot Springs National Park, was returning a larger ratio of money or larger percent from its income back to the Treasury of the United States than any other national park in the country. Do you have those figures?

Mr. WIRTH. I do not know whether we have them by individual areas.

Mr. NEILSON. Yes; we do, Mr. Chairman. We have a revenue statement in the justifications that gives the amount of revenues that we take in for each area. This is the revenue that goes into the Treasury of the United States. For Hot Springs National Park, the total was $48,230. We have programs of $159,826 for that area.

Mr. WIRTH. There are very few areas that are self-sustaining and which take in as much as they pay out. The cave areas, like Carlsbad Caverns, take in more than the cost to run it. I am not so sure Mammoth Cave is not in that category too, but I think Carlsbad Caverns is the big money payer.

Mr. NORRELL. I know. I do not want to get involved, but our income from Hot Springs National Park, I believe, was $447,946.45. I believe that is what you said.

Now, we appropriated for that same year not more than 1.5 times that, did we? How much were the appropriations?

Mr. NEILSON. I can tell you that in just a moment, sir. The figure on the revenue for Hot Springs was $48,230. I do not know whether you read that figure or some other.

Mr. WIRTH. $145,671; about one-third.

Mr. NORRELL. You are not able to tell now based on appropriation on the one hand and income on the other, which park paid the greatest percentage back to the Treasury.

Mr. NEILSON. The greatest percentage would be Carlsbad.

Mr. NORRELL. Are you sure of that?

Mr. NEILSON. Yes.

Mr. NORRELL. What would be the next one?

Mr. NEILSON. Possibly Yellowstone. We have seven major areas that are either self-supporting or practically so.

Mr. NORRELL. Find out where Hot Springs stands. I want to see whether we have been backsliding or holding our own down there.

(The information requested is as follows:)

Comparison of appropriations for operating the national parks with revenues collected for 1951 fiscal year

Name of area	Operating appropriations	Revenue collections	Percent of revenues to appropriations
Acadia	$103,612	$1,515	1.462
Big Bend	174,717	1,704	1
Black Hills	74,723	33,177	44.4
Carlsbad Caverns	230,665	397,709	158.1
Crater Lake	291,252	82,780	28.4
Everglades	141,998		
Glacier	609,738	96,996	15.9
Grand Canyon	348,064	261,627	75.2
Grand Teton	138,089	27,134	19.6
Great Smoky Mountains	378,422	3,730	1
Hawaii	190,599	400	.2
Hot Springs	143,336	48,230	33.6
Isle Royale	102,242	1,096	1.1
Lassen Volcanic	169,819	35,699	21
Mammoth Cave	242,395	176,941	73
Mesa Verde	185,223	27,980	15.1
Mount McKinley	158,541	138	.09
Mount Rainier	438,253	76,925	17.6
Olympic	336,544	7,926	2.4
Platt	67,748	214	.3
Rocky Mountain	346,848	122,359	35.3
Sequoia-Kings Canyon	525,502	134,609	25.6
Shenandoah	267,479	78,266	29.3
Yellowstone	1,098,375	760,770	69.3
Yosemite	820,674	588,608	71.7
Zion and Bryce Canyon	218,188	100,883	46.2
Total	7,803,046	3,067,416	39.3

NOTE.—Hot Springs National Park is ninth in a list of 25 areas in percentage of revenues produced as compared with amounts appropriated for operating purposes.

Mr. JENSEN. I think you are right, Mr. Chairman, when you say that for the amount of money Congress has appropriated comparatively speaking with other parks, that the revenue taken in from your Hot Springs Park is one of the highest of the whole park system.

Mr. NORRELL. I appreciate that. I thought it was.

I notice you have an increase of $2,050 at Hot Springs for management and protection and about a thousand dollars increase for maintenance. What is this money for? I am asking this question because this is in my district. Other members of the committee are not necessarily interested in it.

Mr. NEILSON. For the management and protection, the increase is $2,050 of which $1,110 is for "Other personal services." In other words, that is for additional personal services of a seasonal nature, or to carry present positions a little longer.

The balance of $940 of the increase is for materials and supplies. The $1,000 increase under "Maintenance and rehabilitation" is primarily for wage board increases.

Mr. NORRELL. I think that table that we referred to a while ago ought to be in the record. That contains a lot of good information. It shows receipts deposited during the fiscal year ending June 30, 1951, from your parks.

Mr. NEILSON. We will insert that in the record.

(The document referred to is as follows:)

General-fund receipts deposited during the fiscal year ended June 30, 1951

Summary	Automobile fees	Admission, guide, and elevator fees	Tax on admission and guide fees [1]	Business concessions	Rents and royalties	Permits, privileges, and licenses	Sale of Government property and products	Sale of services	Other fees and forfeitures	Reimbursements	Gifts and contributions	Realization upon assets	Total
(1) National parks	$1,896,994.05	$592,281.56	[$129,321.12]	$282,856.70	$64,411.55	$10,675.01	$171,976.39	$41,145.67	$3,484.78	$2,587.90	$94.24	$907.78	$3,067,415.63
(2) National monuments	76,396.75	84,530.82	[13,031.21]	12,971.48	1,110.35	23.00	1,748.16		134.90	477.02	61.41	132.50	177,586.39
(3) National military parks and cemeteries		20,268.92	[6,349.46]	237.14	2,937.42	149.00	551.67	5.00	9.68	82.53			24,241.36
(4) National historical parks		8,869.84	[6,394.75]	554.36	1,875.50	541.00	6,384.29	25.00	.24	37.82	34.61		18,322.66
(5) National battlefield parks, sites, cemeteries				25.00	879.75	38.00		5.00		2.86			950.61
(6) National historic sites		64,728.55	[12,847.17]	383.74	8,175.17	12.00	95.00			1.00			73,395.46
(7) National memorials (other than those in National Capital parks)													
(8) National Capital parks		85,163.45	[8,471.96]	6,980.13	12,418.54	5,427.75	43,657.83		125.00	1,199.19		358.50	155,330.39
(9) Parkways				200.00	3,497.91	86.00	1,853.96	411.83	674.10	255.58			6,979.38
(10) Recreational areas							3,656.69			6.00			3,662.69
(11) Miscellaneous				1,564.18	3,121.35	102.00	454.00		20.98	88.31	7.95		5,358.77
(12) Office of the Director					67.45		840.54			220.68			1,128.67
Total all areas	1,973,390.80	855,843.14	[176,415.67]	305,772.73	98,494.99	17,053.76	231,218.53	41,592.50	4,449.68	4,958.89	198.21	1,398.78	3,534,372.01
BY AREAS AND OFFICES													
(12) Office of the Director					67.45		840.54			220.68			1,128.67
(1) Acadia				100.00	181.00	428.52	650.15					155.00	1,514.67
(1) Big Bend				45.00		602.92	1,039.61			16.00			1,703.53
(1) Black Hills Areas		22,932.50	[4,411.00]	75.00	70.00	8,543.07	1,492.95		63.80				33,177.32
(1) Bryce Canyon	38,505.00												38,505.00
(1) Carlsbad Caverns		384,516.00	[82,399.00]	9,595.18	240.00		2,541.08	800.65	16.50				397,709.41
(1) Crater Lake	78,333.00			110.00			4,095.58	229.77	12.00				82,780.35
(1) Everglades													
(1) Glacier	79,436.00			7,264.19	5,967.59	13.00	2,206.53	1,465.56	100.00	542.65			96,995.52
(1) Grand Canyon	194,538.00			65,426.81	447.62		465.00	692.43	32.59	3.84		21.00	261,627.29
(1) Grand Teton	18,868.50			759.38	7,088.32		390.00			27.79			27,133.99
(1) Great Smoky Mountains				198.00	1,296.97	7.00	2,223.98		3.78				3,729.73
(1) Hawaii				300.00	50.00		50.00						400.00
(1) Hot Springs				47,946.45	120.00		114.20			49.36			48,230.01
(1) Isle Royale					274.58	517.50	205.00	98.76					1,095.84
(1) Lassen Volcanic	34,108.00			110.00		15.00	1,397.63	68.84					35,699.47
(1) Mammoth Cave		174,774.90	[40,480.80]	1,097.34	617.25		381.71			70.00			176,941.20
(1) Mesa Verde	25,151.00			115.00	409.80		2,260.34	44.25					27,980.30

See footnote at end of table, p. 277.

General-fund receipts deposited during the fiscal year ended June 30, 1951—Continued

Summary	Automobile fees	Admission, guide, and elevator fees	Tax on admission and guide fees [1]	Business concessions	Rents and royalties	Permits, privileges, and licenses	Sale of Government property and products	Sale of services	Other fees and forfeitures	Reimbursements	Gifts and contributions	Realization upon assets	Total
BY AREAS AND OFFICES—continued													
(1) Mount McKinley							$23.00	$1.25		$113.28			$137.53
(1) Mount Rainier	$70,833.50			$569.81	$940.30		1,361.34	2,543.18	$9.30	667.37			76,924.80
(1) Olympic				719.46	2,746.47	$289.00	768.89		3,164.81	237.72			7,926.35
(1) Platt						1.00	213.00						214.00
(1) Rocky Mountain	120,751.00			331.40		18.00	612.81	599.32		46.77			122,359.30
(1) Sequoia and Kings Canyon	83,089.00	$10,058.16	[$2,030.32]	28,292.63	816.83	20.00	9,226.20	2,808.58		295.31	$2.00		134,608.71
(1) Shenandoah	70,040.75			1,251.00	2,692.14	60.00	3,454.62			35.78		$731.78	78,266.07
(1) Yellowstone	614,407.30			98,349.67	2,680.21	150.00	38,735.15	6,225.32	82.00	48.00	92.24		760,769.89
(1) Yosemite	406,983.00			20,075.38	37,510.70	10.00	98,062.62	25,567.76		398.23			588,607.69
(1) Zion	61,950.00			125.00	261.77		5.00			35.80			62,377.57
(6) Adams Mansion		1,712.75	[356.00]										1,712.75
(5) Antietam						1.00		5.00					6.00
(2) Appomattox Courthouse					26.00								26.00
(2) Aztec Ruins		2,712.00	[546.60]										
(2) Badlands													
(2) Bandelier	4,273.00												4,273.00
(9) Blue Ridge				200.00	1,630.80	18.00	1,537.91	411.83	298.00	162.32			4,258.86
(2) Casa Grande		4,725.75	[982.70]										4,725.75
(2) Castillo de San Marcos		21,694.30	[5,814.70]	3,100.30	483.35		55.22		6.00				25,339.17
(2) Chaco Canyon		370.00	[75.80]										370.00
(4) Chalmette													
(3) Chickamauga-Chattanooga		19,079.84	[5,038.16]		848.50	27.00	9.50						19,964.84
(4) Colonial and Yorktown		6,873.12	[5,831.35]	548.56	1,704.00	541.00	6,029.69	25.00		26.30	32.69		15,780.36
(2) Colorado	850.00								3.00				853.00
(2) Craters of the Moon	4,397.00			88.00		10.00							4,495.00
(2) Death Valley							5.00						5.00
(2) Devils Tower	5,518.50												5,518.50
(2) Dinosaur													
(2) El Morro		648.25	[135.95]										648.25
(3) Fort Donelson				5.00		5.00	67.50						77.50
(2) Fort Frederica						8.00	12.00						20.00
(2) Fort Jefferson							111.32			462.77			574.09
(2) Fort Laramie													
(2) Fort McHenry		4,287.84	[1,166.78]	226.86									4,514.70
(2) Fort Pulaski		2,399.20	[737.32]		120.00		767.35						3,286.55
(2) Fort Sumter					25.00		284.38						309.38
(3) Fredericksburg and Spotsylvania		676.08	[201.70]		45.92	24.00	21.50						767.50
(2) George Washington birthplace					145.00		138.60			12.25			295.85

vania		676.08	[201.70]		45.92	24.00	21.50						767.50
(2) George Washington birthplace					145.00		138.60			12.25			295.85
(3) Gettysburg		513.00	[1,109.60]		1,983.00	15.00	201.92	5.00	9.68				2,727.60
(6) Home of Franklin D. Roosevelt		48,327.55	[9,417.72]										48,327.55
(6) Hopewell Village					62.50					1.00			63.50
(2) Jackson Hole													
(6) Jefferson National Expansion Memorial					8,106.67	12.00							8,118.67
(2) Jewel Cave		636.00	[287.30]										636.00
(2) Joshua Tree							27.05						27.05
(5) Kennesaw Mountain					65.00	5.00							70.00
(7) Kill Devil Hill													
(10) Lake Mead							3,656.69			6.00			3,662.69
(2) Lava Beds													
(2) Lehman Caves		2,063.88	[445.76]	225.99						2.00	21.12		2,312.99
(5) Manassas					738.75	5.00				2.86			746.61
(2) Montezuma Castle		2,302.25	[487.70]										2,302.25
(4) Morris House													
(4) Morristown		1,996.72	[563.40]				290.00		.24		1.92		2,288.88
(2) Muir Woods				200.00			16.47					132.50	348.97
(9) Natchez Trace					1,867.11	68.00	316.05		376.10	93.26			2,720.52
(8) National Capital Parks		85,163.45	[8,471.96]	6,980.13	12,418.54	5,427.75	43,657.83		125.00	1,199.19		358.50	155,330.39
(2) Ocmulgee													
(2) Perry's Victory and International Peace Memorial		6,185.35			5.00	5.00							6,195.35
(3) Petersburg and Poplar Grove													
(2) Petrified Forest	41,223.50			1,881.26	216.00		209.43						43,530.19
(2) Pinnacles	2,497.50												2,497.50
(11) Region 1 office										46.90			46.90
(11) Region 2 office										24.85			24.85
(11) Region 3 office				1,564.18	3,121.35	102.00	454.00		20.98	16.56	7.95		5,287.02
(11) Region 4 office													
(5) Richmond				25.00	76.00	27.00							128.00
(6) Salem Maritime		553.50	[99.00]	283.74									837.24
(6) San Juan													
(4) Saratoga				5.80	171.50		64.60						241.90
(2) Scotts Bluff	1,737.25												1,737.25
(3) Shiloh				232.14		25.00	251.25			82.53			590.92
(3) Stones River													
(2) Statue of Liberty		26,172.50		6,968.37	90.00		121.34		125.90				33,478.11
(2) Timpanogos Cave		7,000.00	[1,680.00]	25.00									7,025.00
(2) Tumacacori		3,333.50	[670.60]								40.29		3,373.79
(6) Vanderbilt Mansion		14,134.75	[2,974.45]	100.00	6.00		95.00						14,335.75
(3) Vicksburg					60.00	53.00							113.00
(2) White Sands	15,900.00												15,900.00
(1) Katmai				255.70									255.70
(4) Independence										11.52			11.52
Total	1,973,390.80	855,843.14	[176,415.67]	305,772.73	98,494.99	17,053.76	231,218.53	41,592.50	4,449.68	4,958.89	198.21	1,398.78	3,534,372.01

[1] Taxes on admission and guide fees are remitted to Bureau of Internal Revenue and are not included in totals.

Source: Prepared by Fiscal Division (Bookkeeping Section).

General Administrative Expenses

Amounts available for obligation

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate	$1,294,500	$1,171,774	$1,360,000
Proposed supplemental due to pay increases		83,000	
Reimbursements from other accounts	2,256		
Total available for obligation	1,296,756	1,254,774	1,360,000
Unobligated balance, estimated savings	−13,620		
Obligations incurred	1,283,136	1,254,774	1,360,000

Obligations by activities

Description	1951 actual	1952 estimate	1953 estimate
Direct Obligations			
1. Departmental expenses	$736,345	$731,711	$788,375
2. Regional office expenses	544,535	523,063	571,625
Total direct obligations	1,280,880	1,254,774	1,360,000
Obligations Payable Out of Reimbursements From Other Accounts			
1. Departmental expenses	1,142		
2. Regional office expenses	1,114		
Total obligations payable out of reimbursements from other accounts	2,256		
Obligations incurred	1,283,136	1,254,774	1,360,000

Obligations by objects

Object classification	1951 actual	1952 estimate	1953 estimate
Summary of personal services			
Total number of permanent positions	257	246	246
Full-time equivalent of all other positions	1	1	1
Average number of all employees	239	215	232
Average salaries and grades:			
General schedule grades:			
Average salary	$4,646	$5,158	$5,243
Average grade	GS-7.2	GS-7.3	GS-7.3
Crafts, protective, and custodial grades:			
Average salary	$2,425	$2,685	$2,738
Average grade	CPC-3.0	CPC-3.0	CPC-3.0
Personal service obligations:			
Permanent positions	$1,093,046	$1,091,867	$1,190,836
Part-time and temporary positions	3,533	1,472	1,680
Regular pay in excess of 52-week base		4,199	4,599
Payment above basic rates	5,006		
Total personal service obligations	1,101,585	1,097,538	1,197,115
Direct obligations			
01 Personal services	1,100,272	1,097,538	1,197,115
02 Travel	55,547	69,369	70,480
03 Transportation of things	5,087	3,985	4,000
04 Communication services	14,716	15,650	16,000
05 Rents and utility services	7,634	425	425
06 Printing and reproduction	23,972	25,800	25,800
07 Other contractual services	19,999	21,677	24,225
08 Supplies and materials	13,369	14,280	15,455
09 Equipment	40,111	5,700	5,000
13 Refunds, awards	35		
15 Taxes, assessments, etc	138	350	1,500
Total direct obligations	1,280,880	1,254,774	1,360,000
Obligations payable out of reimbursements from other accounts			
01 Personal services	1,313		
02 Travel	799		
07 Other contractual services	144		
Total obligations payable out of reimbursements from other accounts	2,256		
Obligations incurred	1,283,136	1,254,774	1,360,000

Analysis of expenditures

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations start of year		$125,175	$150,000
Obligations incurred during the year	$1,283,136	1,254,774	1,360,000
	1,283,136	1,379,949	1,510,000
Deduct:			
Reimbursable obligations	2,256		
Unliquidated obligations, end of year	125,175	150,000	160,000
Total expenditures	1,155,705	1,229,949	1,350,000
Expenditures are distributed as follows:			
Out of current authorizations	1,155,705	1,032,106	1,204,896
Out of prior authorizations		119,947	140,000
Out of anticipated 1952 supplemental for pay increases		77,896	5,104

Mr. NORRELL. The next item to be taken up is general administrative expenses.

We will insert in the record pages 75 through 78 of the justification.

(The material referred to is as follows:)

Departmental expenses

Subactivity	Adjusted appropriation	Decreases	Base 1953	Estimate 1953	Increases
(a) Salaries	$640,963	.....	$640,963	$679,970	$39,007
(b) General expenses	50,505	.....	50,505	57,005	6,500
(c) Contingent expenses	20,284	.....	20,284	26,400	6,116
(d) Administrative printing and reproduction	25,000	.....	25,000	25,000	.....
Total	736,752	.....	736,752	788,375	51,623

(*a*) *Salaries.*—The entire increase of $39,007 is for full-year salaries of positions partly appropriated for in 1952. The 1951 appropriation provided for 151 positions for the Washington office. With the requested increase of $39,007, this estimate provides for only 140 positions. The reduction of 11 positions with aggregate salaries of $55,495 has been brought about by the reduction in the 1952 appropriation. The reductions in the 1952 appropriation and the limitation in the amount that may be spent for personal services has, and will further adversely affect the entire Service. Prior to the reduction, the Washington office had been hard pressed to keep up to date with the expanding workload, caused by the increased public use of the areas administered, additions of new areas and investigation of areas proposed for addition to the National Park System. During the current year, our activities have been sharply curtailed and efficiency in operations seriously lowered, despite contributed overtime and voluntary forfeiture of annual leave on the part of many employees. It is urgent, therefore, that this portion of the reduction made in the 1952 appropriation for personal services be restored in 1953 so that the Washington office may, to the extent possible with the limited staff which would be provided, perform the functions for which it is legally responsible.

(*b*) *General expenses.*—An increase of $6,500 is recommended for this purpose, including $1,500 to meet the employer's contribution to the Federal Insurance Contributions Act fund during the 1953 fiscal year. Additional funds will be required in 1953 to permit travel by members of the Washington office staff to new areas and for more frequent inspection of areas in connection with all phases of operations. The appropriation has not previously been increased sufficiently to cover the increase in per diem rates authorized in the Travel Expense Act of 1949. The costs of office supplies and of repairing and servicing office machines and equipment has increased approximately 20 percent during the past 12 months. Additional funds will therefore, be required for 1953 if the Washington office is to adequately supplied with the necessary materials, and if the office equipment is to be kept in economical working condition. An increase of $5,000 is recommended for those purposes.

(*c*) *Contingent expenses.*—The cost of services financed by the Department's working capital fund, including central reproduction service, library service, central stationery and forms supply service, telephone and switchboard service, and the health program will be increased because of increased salaries, pursuant to Public Law 201, Eighty-second Congress, to the employees who perform these services. This increase in turn must be passed on to the bureaus and offices which benefit by the services. The increased costs incident to shipment of forms, stationery, etc., to the 180 areas administered will be substantial because of the higher postal rates authorized by Public Law 233, Eighty-second Congress. While it is not possible at this time to estimate the total amount required to cover the increased costs of the services obtained through the Department's working capital fund and the increased postal rates, it is anticipated that such costs will exceed considerably the increase of $6,116 which is the maximum amount which may be included within the total estimate.

Regional office expenses

Subactivity	Adjusted appropriation	Decreases	Base 1953	Estimate 1953	Increases	Page reference	
						Table	Justification
(a) Region 1 office	$152,034		$152,034	$164,830	$12,796	78	78
(b) Region 2 office	124,949		124,949	135,926	10,977	78	78
(c) Region 3 office	125,314		125,314	136,350	11,036	78	78
(d) Region 4 office	123,615		123,615	134,519	10,904	78	78
Total	525,912		525,912	571,625	45,713		

As justifications in support of increases recommended for each of the four regional offices would be repetitious, they are justified by classes of increases for purposes of brevity. The amounts recommended, by classes, are shown also be regional offices in the tabulation which follows:

Purpose	Regional office				Total
	No. 1	No. 2	No. 3	No. 4	
Full-year salaries of positions partly appropriated for in 1952	$11,647	$6,309	$4,276	$10,418	$32,650
Supplies, travel, etc	1,149	3,768	6,760	486	12,163
Equipment: Replacement of passenger motor vehicle		900			900
Total	12,796	10,977	11,036	10,904	45,713

The increase of $32,650 is for full-year salaries of 106 positions partly appropriated for in 1952. The regional offices have never been adequately staffed to handle the workload which has constantly increased during the past several years, together with the enormous increase in visitors and the number of areas administered. Increases in the administrative staffs have not been commensurate with the additional delegations of authority and functions to the regional offices. It is essential therefore, that this portion of the reduction effected in the 1952 appropriation be restored in 1953 if the regional offices are to handle effectively and efficiently the functions and workload for which they are responsible.

An increase of $12,163 is proposed for travel expenses, miscellaneous supplies and materials, and other contractual services for the regional offices. Additional funds will be required for increased costs of operation, repair, and maintenance of passenger motor vehicles; and to cover the increased costs of repair parts, office supplies, stationery, communications, and transportation. The region 3 office will need an increase of $430 annually to cover increased costs of telephone service which resulted from installation during the 1951 fiscal year of a modern dial system.

The remaining increase of $900 is needed for the replacement of a passenger motor vehicle assigned to the region 2 office. The old vehicle is a 1939 model with mileage in excess of 81,500, and it has reached the point where it can no longer be operated economically or safely.

BACKGROUND OF MR. WIRTH

Mr. NORRELL. Since this is your first appearance before the committee as Director, probably it would be interesting to the country for you to state a brief summary of your past connection with the Park Service so they will know who their new Director is.

Mr. WIRTH. I am a professional landscape architect. I have had 3 years of experience in practice in San Francisco and 2 years of experience down in New Orleans in my own business. I am a native of Minnesota. I came to the Government through a civil-service examination in 1928 with the Park and Planning Commission of the City of Washington.

I transferred to the National Park Service in 1931 as Assistant Director in charge of the Branch of Lands. Since then, I have been in one job after another and titles have changed considerably, but I managed the CCC program both in State parks and national parks, and was the departmental representative on the CCC Council from 1936 until it folded in 1942.

I handled for the Director, the general planning work—that is, the establishment of areas in land matters and over-all planning work for the Service; not the actual developments within the parks, but the areas that should come in, new areas and things like that.

In 1950, I became Assistant Director and had supervision over the Land and Recreation Planning Division, the History Division, the Information Division, and the Natural History Division.

Then in April of 1951 when Mr. A. E. Demaray became Director, I became Associate Director and had supervision over the Design and Construction Division, the Concessions Division, and the Lands Division. When Mr. Demaray retired on December 8, I became Director on December 9.

Mr. NORRELL. Did you state the place of your birth?

Mr. WIRTH. I was born in Hartford, Conn., in 1899 and moved to Minnesota in 1906. My father was superintendent of the Minneapolis parks there. As a matter of fact, I take some pride in this: My elder son is a graduate in landscape architecture from Ames, Iowa. He went from there to Kentucky with the State parks and recently joined the National Park Service at Omaha as a landscape architect. I think it is the only family in the country who has three generations in park work. My father was superintendent of parks in Hartford and then built the Minneapolis park system and I am with the national parks.

My younger brother is director of State parks for the State of Pennsylvania. We are pretty much in the park field.

Mr. NORRELL. You can really claim to be a direct or indirect resident in several sections of the country and you ought to make a good Director of the National Parks.

Mr. WIRTH. I would rather let time determine that. I think that is the only acid test.

Mr. NORRELL. I do not think the other members of this committee will agree with me, but I think the only improvement that you could have in your history is that you should have been born in Arkansas.

Mr. WIRTH. As much as I like Arkansas, I still like Minnesota.

WORK OF MR. LIBBEY AT HOT SPRINGS, ARK.

Mr. NORRELL. We feel you have a mighty good man down at Hot Springs, Mr. Libbey, and the man who has been retired, Mr. Boles. I hope you will not let us be disturbed in any way and will just let us alone. We are well satisfied with everything as it is presently set up.

Mr. WIRTH. I will certainly respect your wishes in that matter. Don Libbey was with me here in Washington when we were running the CCC program. I know him very well, and I am glad to hear you say those things about him.

Mr. NORRELL. We are very well pleased with him.

Mr. WIRTH. We are pleased with his appointment.

Mr. NORRELL. I hope you have a good and successful administration. Gentlemen, I believe this completes our hearings of the Park Service. You have been very helpful and we thank you.

Mr. WIRTH. Thank you very much.

MONDAY, JANUARY 21, 1952.

FISH AND WILDLIFE SERVICE

WITNESSES

ALBERT M. DAY, DIRECTOR
C. C. COTTAM, ASSISTANT DIRECTOR
JOHN R. GARDNER, CHIEF, BRANCH OF BUDGET AND ADMINISTRATIVE MANAGEMENT
DAVID T. SHEPARD, ASSISTANT CHIEF, BRANCH OF BUDGET AND ADMINISTRATIVE MANAGEMENT

Mr. KIRWAN. We will now take up the Fish and Wildlife Service. The appropriation for this year was $12,757,555. The request for 1953 is $12,652,000, a reduction of $105,555. Mr. Day, I am very happy to see a reduction in your budget request. I hope it has been made wisely so as not to damage your very necessary and important program.

If you care to make a general statement, we will be glad to hear it now and then we will take up the separate items for questioning.

GENERAL STATEMENT

Mr. DAY. Mr. Chairman and members of the committee, in appearing before this subcommittee I always have the comforting feeling that I am meeting with a group which willingly shares with me the responsibility of assuring the stability and perpetuation of our wildlife and fish resources. The experience, interest, and understanding of the members of this committee have been a real source of support to the Service and I say this with the utmost sincerity regardless of the outcome, in terms of appropriations, of our discussion.

PROBLEMS FACING THE SERVICE

Since I last appeared before you there have been no drastic changes in the general situation affecting the living resources which are under the jurisdiction of the Fish and Wildlife Service. This is not to say that everything is static or that everything is satisfactory. It is, rather, to say that whatever changes have occurred have been gradual and evolutionary and in line with the general trends which face any agency administering fish and game. These general trends are the increasing pressures of population increases and general development, which have such side effects as increased pollution, river-development projects, land drainage programs, changes in agricultural methods, and a general shrinkage of the natural habitat which is the basic source of wildlife.

It may sound like oversimplification to say that our greatest problem is the fact that we now have a population of 155 million

people in this country, but I am becoming more and more convinced that this is the case. This vast army of humans demands more and better hunting and fishing, and the sales of fishing and hunting licenses, while down slightly over the preceding year, indicate that at least 30 million people are going afield with rod and gun. At the same time the demands of this population for food, shelter, transportation, and all of the other things which constitute our pattern of living put them in direct competition with wildlife. People are progressively crowding fish and game into smaller and less suitable areas, and our basic problem is to cushion this competition and try to squeeze out some limited areas in which the improving techniques of fish and game management can be practiced.

IMPROVEMENT IN WATERFOWL SITUATION

I am gratified to be able to report an appreciable improvement in the situation with respect to waterfowl. Our studies, coordinated with those of numerous other agencies, led us to believe that we could moderately relax the hunting regulations for the season which has just ended. Reports of the abundance of waterfowl and hunting success seem to confirm the justification for this action, and the thing that worries me most now is the fact that this very moderate improvement might be construed in some places as evidence that we are out of the woods and that the good old days of almost unlimited waterfowl shooting are just around the corner. Those days are gone forever and we'll have to continue to exercise utmost diligence in our surveys and analysis of the studies of the waterfowl populations and develop more and better techniques of management, protection, and law enforcement in order to forestall further declines.

That's the broad view with respect to recreational hunting and fishing.

COMMERCIAL FISHERIES

With respect to the commercial fisheries, our preliminary statistics for the calendar year 1951 indicate that the catch was some 500 million pounds less than the preceding year, with a gross contribution to the Nation's food and byproduct stockpile of about 4.4 billion pounds. However, it can be explained in part by the fact that several of our important fisheries failed to produce up to par within the same period of time. These fluctuations do exhibit themselves periodically, but then we have low production in a single year for such fisheries as the Maine sardine, the California pilchard, the important tuna fishery, and several minor fisheries, it does look bad. I do not think, however, that the situation calls for panic, although it is no basis for complacency. These fisheries can and will be brought back, but the recovery can be expedited by appropriate research and management on the part of the States as well as the Federal Government.

NECESSITY OF RESEARCH

At this point I should like to say that I look to a continuation of our research programs, both in fisheries and wildlife, as a must and would be extremely anxious to expand this phase of our activities if financial considerations permitted. This feeling arises from almost

daily examples wherein action programs are rendered less effective and more costly because of insufficiency of basic scientific knowledge about the particular resource which we are attempting to manage.

Another important point in connection with research is the necessity for continuity. Studies which are abandoned in midcourse or which are curtailed to the point of ineffectiveness usually call for a complete new start when and if they are to be resumed.

SEA LAMPREY INVESTIGATION

For example, the investigation of the sea lamprey in the Great Lakes is now approaching the point where we think some definite answers and concrete results will be forthcoming which can lead to the control of this deadly enemy to important commercial species of that area. This happy result is being achieved because we were able to prosecute the investigation vigorously, and I hate to think of where we would be if for any reason the project had been slowed down or temporarily halted somewhere in the earlier stages. Much of the preliminary work would have been wasted and we would have had to start over again. The same situation exists with regard to practically all of our research undertakings.

RELATIONSHIP WITH NATIONAL DEFENSE

In talking about our estimates, I don't want to try to get aboard a defense bandwagon and claim that anything and everything we are doing is directly related to the national emergency. However, I am surprised myself to observe the many instances in which the work of the Service shows such a relationship. The commercial fisheries, of course, particularly such programs as the administration of the Alaska fisheries, have a direct bearing on our food potential. The predator- and rodent-control work makes it possible to obtain greater production of meat and wool.

On the negative side, during this period, as during World War II, the armed services look to many areas under the jurisdiction of the Service as the most suitable sites for bombing and gunnery ranges, maneuver areas, and similar activities. We have had fair success in compromising these demands against the original purpose of the refuges or other areas involved so that the fish and wildlife do not suffer unduly and the armed services are able to carry out their objectives. Not too many people know that the recent atomic-bomb tests in Nevada were carried out on wildlife-refuge lands, but this is actually the case. We believe that we have been able to work out adequate protection to the big-game animals frequenting the refuge in spite of the other activities which have been going on there.

ADMINISTRATIVE PROBLEMS

The administrative problems of the Service are pretty well typified by the appropriation structure in which our estimates are presented to you. We have to consider management, research, and construction as three essential tools for wildlife conservation. Inefficiency or inadequacy in any one of them will leave us with a lopsided over-all program. However, in developing estimates which must conform to

rather rigid economy principles, we have had to make adjustments in some of these phases. It has been possible to curtail the construction of new physical facilities such as new fish hatcheries, refuge facilities, including buildings, water-control structures, and so forth, and other minor items, without too serious impact upon our long-term objectives. We need these proposed hatcheries and other facilities badly, but if their construction is merely deferred and not canceled, we can make out. This committee has given detailed thought to construction programs over the past several years, particularly with respect to fish hatcheries, and will readily recognize that an item of $400,000 for construction, such as carried in these estimates, is quite small considering the extent of physical properties which the Service owns and operates.

MANAGEMENT WORK

Our management work, which covers administration of fish and game laws, the operation of fish hatcheries and refuges, predator and rodent control, and river-basin studies, employs the largest number of personnel and requires the procurement of major quantities of supplies, materials, and equipment. If we undertook no expansion whatever in this type of work, there would still be need for an increase in appropriation in order to meet the increased cost of doing business. The rising prices for supplies and equipment would compel us to either cut back or raise our appropriation estimates.

INCREASE FOR ALASKA PROGRAM

We are asking for a moderate increase in our Alaska program because the situation with respect to both fisheries and game is most critical in that area. The Service has sole responsibility for the maintenance of the very important commercial fisheries as well as the game and fur resources of Alaska, and what we do now and in the next few years will have a tremendous bearing on the future of these resources.

We are also requesting some increase in the operating funds for the hatcheries and refuges, largely for the purpose of meeting increased costs, which are beyond our control.

ESTIMATE FOR RIVER-BASIN STUDIES

I want to make a special point in connection with our estimate for river-basin studies. We have asked for an increase of $70,000 in this item and it might be thought that this relatively small amount cannot have the importance which I attribute to it. While it is true that some of the programs of river-basin development are not going into construction stage as fast as was the case several years ago, there are a number of comprehensive planning studies under way, such as in the Arkansas-White-Red River Basins and the New York and New England area, as well as other preliminary planning. If we can give adequate coverage to the fish and game aspects of these comprehensive programs while they are still in the preliminary survey and planning phase, the formulation of measures for the protection of these resources at a later date can be facilitated and money can be saved

by avoiding changes after the construction plans are final and under way. This type of responsibility is one which is placed upon us as the result of the activities of other agencies and we merely seek to keep in step.

SUMMARY

I have previously expressed my views with respect to the importance of the research programs. Here, the increases after allowance for salary adjustments will be found to be negligible, with the bulk of the additional money going to one particular project intended to enable us to meet the demand for more information on how to protect the salmon resource of the Columbia River and other western streams.

I have also mentioned earlier that we have cut back sharply on new construction on the basis that the needs for economy can most easily be met by curtailment here and, further, that the use of materials and manpower for this purpose at this time can well be deferred.

You will find that we have asked for a small increase for administration, devoting this very largely to more adequate staffing of our regional offices. We are constantly delegating additional authority and responsibility to the field, and the regional offices must have some additional staff to take care of this.

My remarks have been made with the purpose of setting before you a backdrop of general conditions and policies which may serve to give perspective in considering the details of the individual projects and the appropriations related to them. In working up these estimates we have had to strive to achieve balance in two aspects—first, it has been necessary to recognize the relationship of Fish and Wildlife Service activities as a whole in the light of the general budget situation and, second, it has been necessary to balance the numerous and diverse activities of the Service, one against the other, within the limits of the total appropriation which it seemed appropriate to request. I hope the committee may agree that these two aims have been reasonably well met in the estimates which are before you.

Mr. KIRWAN. Thank you, Mr. Day. That was a very interesting statement.

MANAGEMENT OF RESOURCES

Amounts available for obligation

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate	$6,932,000	$6,678,196	$7,292,000
Proposed supplemental due to pay increases		275,000	
Reimbursements from other accounts	45,685	60,000	
Total available for obligation	6,977,685	7,013,196	7,292,000
Unobligated balance, estimated savings	−31,469		
Obligations incurred	6,946,216	7,013,196	7,292,000
Comparative transfer from "Salaries and expenses, Fish and Wildlife Service"	271,265		
Comparative transfer to "Administration of Pribilof Islands, Fish and Wildlife Service"	−467,048		
Total obligations	6,750,433	7,013,196	7,292,000

Obligations by activities

Description	1951 actual	1952 estimate	1953 estimate
Direct obligations			
1. Administration of fish and game laws	$1,541,647	$1,623,509	$1,750,176
2. Propagation and distribution of food fishes	1,966,538	2,183,491	2,320,683
3. Mammal and bird reservations	1,929,536	1,870,299	1,843,872
4. River basin studies	218,383	257,454	318,250
5. Control of predatory animals and injurious rodents	952,537	920,357	960,936
6. Soil and moisture conservation	96,107	98,086	98,083
Total direct obligations	6,704,748	6,953,196	7,292,000
Obligations payable out of reimbursements from other accounts			
1. Administration of fish and game laws	12,108	16,185	
2. Propagation and distribution of food fishes	2,185	2,920	
3. Mammal and bird reservations	4,648	5,145	
4. River basin studies	12,179	16,280	
5. Control of predatory animals and injurious rodents	14,565	19,470	
Total obligations payable out of reimbursements from other accounts	45,685	60,000	
Total obligations	6,750,433	7,013,196	7,292,000

Obligations by objects

Object classification	1951 actual	1952 estimate	1953 estimate
Summary of personal services			
Total number of permanent positions	1,023	1,079	1,107
Full-time equivalent of all other positions	236	172	190
Average number of all employees	1,213	1,187	1,240
Average salaries and grades:			
General schedule grades:			
Average salary	$3,618	$3,979	$4,076
Average grade	GS–5.6	GS–5.8	GS–5.8
Crafts, protective, and custodial grades:			
Average salary	$2,680	$2,973	$2,983
Average grade	CPC–4.8	CPC–4.7	CPC–4.7
Ungraded positions: Average salary	$4,568	$4,669	$4,595
Personal service obligations:			
Permanent positions	$3,419,488	$3,902,728	$4,066,585
Part-time and temporary positions	706,673	527,000	569,190
Regular pay in excess of 52-week base		14,331	16,230
Payment above basic rates	141,178	156,732	169,892
Total personal service obligations	4,267,339	4,600,791	4,821,897
Direct obligations			
01 Personal services	4,234,611	4,584,834	4,821,897
02 Travel	329,053	391,119	390,128
03 Transportation of things	67,154	70,284	75,439
04 Communication services	45,166	47,607	48,527
05 Rents and utility services	84,822	85,728	88,216
06 Printing and reproduction	21,431	40,774	40,334
07 Other contractual services	281,194	282,625	366,576
Services performed by other agencies	1,457	1,500	
08 Supplies and materials	905,105	989,078	1,018,064
09 Equipment	265,603	254,684	241,474
10 Lands and structures	531,725	255,653	255,131
13 Refunds, awards and indemnities	35	4,000	5,000
15 Taxes and assessments	4,125	11,738	11,762
Subtotal	6,771,481	7,019,624	7,362,548
Deduct changes for quarters and subsistence	66,733	66,428	70,548
Total direct obligations	6,704,748	6,953,196	7,292,000
Obligations payable out of reimbursements from other accounts			
01 Personal services	32,728	15,957	
02 Travel	1,898	4,500	
03 Transportation of things	18	525	
04 Communication services	8	215	
05 Rents and utility services	1,569	2,060	
06 Printing and reproduction	37	150	
07 Other contractual services	7,847	12,300	
08 Supplies and materials	779	23,243	
10 Lands and structures	801	1,050	
Total obligations payable out of reimbursements from other accounts	45,685	60,000	
Total obligations	6,750,433	7,013,196	7,292,000

Analysis of expenditures

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year		$1,024,884	$1,103,080
Obligations incurred during the year	$6,946,216	7,013,196	7,292,000
	6,946,216	8,038,080	8,395,080
Deduct:			
Reimbursable obligations	45,685	60,000	
Unliquidated obligations, end of year	1,024,884	1,103,080	1,150,080
Total expenditures	5,875,647	6,875,000	7,245,000
Expenditures are distributed as follows:			
Out of current authorizations	5,875,647	5,602,000	6,155,000
Out of prior authorizations		1,015,000	1,073,000
Out of anticipated 1952 supplemental for pay increases		258,000	17,000

Mr. KIRWAN. We will now take up "Management of resources." Briefly describe the principal increases which make up the additional $613,804 being requested for this item.

Mr. GARDNER. That is the amount involved in the 1953 estimate as compared with the actual appropriation. The increase requested under this item over the base is $434,601 as shown on page 1 of the justifications.

INCREASES

Mr. DAY. I might say briefly, Mr. Chairman, that, of the $434,601 increase, we asked for $129,601 to permit of better administration of our fish and game laws. Of this amount $27,000 is for administration of Alaska fisheries, $92,601 is for administration of the Alaska game law, and $10,000 is for administration and enforcement of the Northwest Atlantic Treaty Act which was recently enacted by the Congress.

These are slight increases when you consider the base of $1,620,575 for administration of fish and game laws.

We have asked for a small increase of $140,000 for the very important item of propagation and distribution of food which includes all the fish hatcheries. The amount we are asking is wholly inadequate to put the hatcheries on a full operating basis but it was the best we could do under ceiling limitations.

A very small increase of $55,000 is requested for mammal and bird reservations. Of this, $25,000 is for administration of the Crab Orchard ordnance plant, where because of the defense needs we are forced to make some improvements at that point, and $30,000 is for equipment replacement at various refuges.

I mentioned briefly in my general statement the increase of $70,000 requested for river basin studies. Of this increase, $35,000 is for a survey of the Arkansas-White-Red River basin, $28,000 is for a resources survey of the New England-New York area, and $7,000 for other costs.

FISH HATCHERIES

Mr. KIRWAN. That hatchery that you have in Rhode Island, is that a new one?

Mr. COTTAM. Arcadia is an old one.

Mr. KIRWAN. Are there any new ones in this estimate?

Mr. DAY. No; there are no new hatcheries in here. We are asking for funds to staff some of the hatcheries that have been coming in to

production recently. You will recall that under a planned program we have started the construction of hatcheries but there is no new construction of hatcheries involved in our estimates for 1953. We are trying to complete the ones we had before and put them under administration. In fact, there are some new hatcheries that have already been authorized for which no funds have yet been provided. There are no funds in here for development of the hatchery at Pendill's Creek which was built in upper Michigan to handle the Great Lakes fisheries which has not yet been completed. We were just unable under the ceiling to put in enough to put some hatcheries into operation that were recently completed, while we have only a small portion of the funds needed for expanded stations. Many others will operate at half capacity because of a lack of manpower and feed.

Mr. KIRWAN. Mr. Jackson, do you wish to ask some questions on management of resources?

ALASKA FISHERIES

Mr. JACKSON. I want to compliment you, Mr. Day, on your fine statement. I wanted to ask a question about the administration of Alaska fisheries. I notice there is an increase of $27,000. Isn't that sum pretty inadequate when you consider the vast area that you have to cover in connection with your enforcement activities?

Mr. DAY. It is thoroughly and wholly and completely inadequate.

Mr. JACKSON. I notice the increase in the game figure is about four times the increase for administration of the fisheries.

Mr. DAY. Part of that is because we are attempting to staff some new areas in the interior that have been completely without protection.

Mr. JACKSON. Is there a highway in that area?

NEED FOR WARDENS IN ALASKA

Mr. DAY. Yes; the Alaska Highway has brought in so much traffic that travel has doubled each year for the last 4 years. There is no warden headquarters closer to the Canadian border than Fairbanks which is some 350 miles to the westward. In this budget we are proposing to construct a housing unit at Tok Junction, which is at the boundary, together with two officers who would be stationed there to help patrol this large game area.

Mr. GARDNER. This would be under the construction estimate rather than under the management estimate.

Mr. JACKSON. For the building.

INCREASE IN 1953

Mr. GARDNER. The major portion of the increase requested under administration of fish and game laws is for the installation of new motors in planes in Alaska, the Grumman Widgeons.

Mr. DAY. We have included an item of $17,601 to employ game agents to man the Tok Junction station.

Mr. JACKSON. Which comes under this item, personnel?

Mr. DAY. Yes; personnel. The construction of the headquarters comes under the construction item.

I might say while we are on the Alaska item that although we have listed $75,000 under administration of Alaska game, that expenditure will be as much use to the fisheries as to game.

AIRCRAFT ENGINES

Mr. JACKSON. That is a $92,000 increase.

Mr. GARDNER. $75,000 of that $92,000 is for the installation of new motors in aircraft.

Mr. DAY. We have nine very fine airships used for both game and fishery administration. The Grumman Widgeon is the model. It is a small, two-motored ship, completely war surplus. The Ranger engines in these ships are now no longer in production. We cannot even buy parts. The hulls are in good shape and we could not replace those planes for less than perhaps $35,000 or $40,000 each. By spending $15,000 each we can equip them with fine new motors that will make these planes serviceable for another 6, 8, perhaps 10 years. So we are asking for five motor replacement jobs this year with four probably coming in next year asking for money for replacement.

Mr. JACKSON. Does that involve personnel?

Mr. DAY. No. Just the cost of buying the motors and installing them, $75,000 to remodel five planes. Those will be used as much on fisheries patrol as on game although it appears under the game item in our estimates.

Mr. JACKSON. I have no further question, Mr. Chairman.

VALUE OF FOOD FISHES PRODUCED IN HATCHERIES

Mr. KIRWAN. I would like to ask a question while it is on my mind before we go on. The largest request under this item is for the propagation and distribution of food fishes. Have you ever estimated the dollar value of food supply made available by one year's appropriation for this work?

Mr. GARDNER. I do not recall that any attempt has been made to do that.

Mr. DAY. I think we could give you a good estimate, though.

Mr. KIRWAN. I would like to have the estimate appear in the record at this point. Somebody might be asking that question: Did you ever estimate the value of the fish produced?

(The information requested follows:)

The commercial value of fish produced in Federal hatcheries in the calendar year 1950 is estimated at $18,113,280.

Mr. GARDNER. I think we could show the number of pounds of fish produced at the hatcheries.

Mr. KIRWAN. And what it cost to produce, if you can.

Mr. DAY. Let us see if we can furnish you something for the record on that.

Mr. KIRWAN. Furnish a good statement for the record. They might like to know about it when it gets on the floor.

(The statement requested is as follows:)

In the calendar year 1950, 820,674 pounds of fish were produced. The cost of fish food amounted to $246,202.20, or an average of 30 cents for each pound of fish produced.

DECREASE IN 1953 ESTIMATES

Mr. FURCOLO. I did not quite understand in your general statement whether the money you need for all your activities this year is less than it was last year?

Mr. DAY. In total, yes. The total is $105,555 less than the 1952 appropriation. Much of that reduction comes from a very drastic cut in the construction item. Last year there was $1,263,742 appropriated for construction. This year only $400,000 is included in the estimate. So we are short the difference, $863,742. That is the chief cut.

Mr. FURCOLO. That was all I had to ask at this time.

Mr. KIRWAN. Any further questions on that?

INVESTIGATION OF RESOURCES

Amounts available for obligation

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate	$3,875,000	$4,008,986	$4,056,000
Proposed supplemental due to pay increases		170,000	
Reimbursements from other accounts	5,263	6,000	
Total available for obligation	3,880,263	4,184,986	4,056,000
Unobligated balance, estimated savings	−46,780		
Obligations incurred	3,833,483	4,184,986	4,056,000
Comparative transfer to "Administration of Pribilof Islands, Fish and Wildlife Service"	−33,425		
Total obligations	3,800,058	4,184,986	4,056,000

Obligations by activities

Description	1951 actual	1952 estimate	1953 estimate
Direct obligations			
1. Research on fish and fisheries	$1,848,083	$2,126,419	$2,002,913
2. Exploration, development, and utilization of fishery resources	1,490,679	1,576,718	1,578,989
3. Research on birds and mammals	456,033	475,849	474,098
Total direct obligations	3,794,795	4,178,986	4,056,000
Obligations payable out of reimbursements from other accounts			
1. Research on fish and fisheries	2,646	3,015	
2. Exploration, development, and utilization of fishery resources	2,230	2,545	
3. Research on birds and mammals	387	440	
Total obligations payable out of reimbursements from other accounts	5,263	6,000	
Total obligations	3,800,058	4,184,986	4,056,000

Obligations by objects

Object classification	1951 actual	1952 estimate	1953 estimate
Summary of personal services			
Total number of permanent positions	643	674	665
Full-time equivalent of all other positions	92	60	59
Average number of all employees	634	625	635
Average salaries and grades:			
General schedule grades:			
Average salary	$3,957	$4,355	$4,451
Average grade	GS-6.8	GS-6.8	GS-7.0
Crafts, protective, and custodial grades:			
Average salary	$2,543	$2,963	$3,027
Average grade	CPC-4.5	CPC-4.6	CPC-4.8
Ungraded positions: Average salary	$3,961	$4,197	$4,525
Personal service obligations:			
Permanent positions	2,152,729	2,446,787	2,562,949
Part-time and temporary positions	275,817	180,992	173,394
Regular pay in excess of 52-week base		10,441	12,001
Payment above basic rates	62,519	49,322	56,454
Total personal service obligations	2,491,065	2,687,542	2,804,7N
Direct obligations			
01 Personal services	2,489,439	2,687,542	2,804,798
02 Travel	174,892	181,758	164,883
03 Transportation of things	36,281	49,477	44,875
04 Communication services	34,046	38,745	37,436
05 Rents and utility services	43,428	47,950	50,457
06 Printing and reproduction	52,701	76,014	66,508
07 Other contractual services	360,966	395,469	311,477
Services performed by other agencies	7,507	7,500	
08 Supplies and materials	391,234	464,288	403,515
09 Equipment	122,444	229,458	170,947
10 Lands and structures	85,836	1,300	1,300
15 Taxes and assessments	4,858	6,898	7,217
Subtotal	3,803,632	4,186,399	4,063,413
Deduct charges for quarters and subsistence	8,837	7,413	7,413
Total direct obligations	3,794,795	4,178,986	4,056,000
Obligations payable out of reimbursements from other accounts			
01 Personal services	$1,626		
02 Travel	787		
04 Communication service	223	$260	
07 Other contractual services	2,620	5,600	
08 Supplies and materials	7	140	
Total obligations payable out of reimbursements from other accounts	5,263	6,000	
Total obligations	3,800,058	4,184,986	4,056,000

Analysis of expenditures

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year		$670,125	$749,111
Obligations incurred during the year	$3,833,483	4,184,986	4,056,000
	3,833,483	4,855,111	4,805,111
Deduct:			
Reimbursable obligations	5,263	6,000	
Unliquidated obligations, end of year	670,125	749,111	605,111
Total expenditures	3,158,095	4,100,000	4,200,000
Expenditures are distributed as follows:			
Out of current authorizations	3,158,095	3,280,500	3,669,500
Out of prior authorizations		660,000	520,000
Out of anticipated 1952 supplemental for pay increases		159,500	10,500

Mr. KIRWAN. Let us proceed with "Investigation of resources." For 1952 you had $4,008,986, and you are seeking an increase of $47,014, bringing the total to $4,056,000.

Mr. GARDNER. The increase over the base is actually only $36,540.

REQUEST FOR INLAND FISHERY RESEARCH

Mr. KIRWAN. Your principal increase in this item is $30,000 for inland fishery research. Please tell us how this money will be used.

Mr. DAY. Under the development of the lower Columbia River fishery program with funds which are made available in the Corps of Engineers appropriation and transferred to the Fish and Wildlife Service there has been considerable construction. One item of construction was the Willard Laboratory built with these other funds, a laboratory at a fish hatchery in southern Washington where we will place a small staff of trained scientists, to carry on research on not only fishery biology problems but also on fish foods. We are attempting to find cheaper sources of feed than are now available to us. We are experimenting with salmon waste from Alaska, for instance, that is being shipped in frozen. We are experimenting on carcasses of fur seals that are surplus through operations in the Pribilof. But we need nutrition and disease technicians to study these problems in order that we may be sure to get the cheaper and better diets. Of the $30,000 increase, $16,900 is for staff at the Willard Laboratory and the balance is for equipment and operating expenses.

HERRING RESEARCH

Mr. JACKSON. How much is being spent on herring research?

Mr. GARDNER. I am sorry, Congressman. Our budget, although it reflects the appropriation by activities does not identify the amount involved in the Alaska herring study.

Mr. DAY. We could put it in the record.

Mr. JACKSON. Would you put a statement in the record? I have been quite interested in that problem as I know the Department has. My recollection is that so far we do not know much about the life history of a herring. They come and go. As I understand it, you have not been able to get very much information on this subject. Is that so?

Mr. DAY. Herring research has been carried on for some time. There was a time when we thought we had quite a few answers but some of the actions of the herring in recent years have indicated perhaps our answers are not as firm as they should be. But we are carrying on studies with what limited resources we have in that particular field.

Mr. JACKSON. I wonder if you could put a statement in the record as to what kind of a program is needed to make a little more rapid progress. I am well aware of the fact that your funds have been limited for this item. I am also aware of the tremendous job that it is in trying to collect the data. I recall the herring does not go upstream to spawn or anything like that. They traverse the oceans, apparently.

Mr. DAY. It is a problem of capturing and studying the fish out in the oceans which complicates the problem manyfold.

Mr. JACKSON. Capturing them?

Mr. DAY. Yes, and reading the scales, trying to find samples of the age classes and the total populations and things of that kind. It is an expensive undertaking, requiring oceangoing vessels and crews, but it is a highly important study.

Mr. JACKSON. I would appreciate if you would put in two statements: One, what is being spent for herring research, and secondly, some suggested program which would speed up the research.

Mr. DAY. We would be glad to do that.

(The statements requested are as follows:)

Alaska Herring Research Program and Needs

Present program, $9,000 per year.—This is a stand-by program only to maintain continuity of the three basic series of records: Age composition, catch, and fishing effort.

Needs to speed-up program, $330,000 per year.—To carry on anything but the above stand-by program we need a study of the inshore spawning of the herring, the survival of the young in the sea, and the hydrographic conditions of the sea which affect herring survival and herring availability to the fishermen. In order to get such information, it is necessary to have a seagoing research program with one adequately equipped vessel in each of the major districts—Kodiak, Prince William Sound, and southeastern Alaska.

The amount given above will provide for charter of three herring vessels with improvised equipment, plus an adequate staff of professional biologists, plus a large scale-tagging program, plus an intensive investigation of the fishery itself, the statistics of its catch, and the relation of fishing effort to fishing mortality.

Needed for ideal program.—For best results we should have three fully equipped specially built oceanographic research vessels in year-around operation. These would cost about $500,000 each to construct, and their operation would require about $150,000 per year, as compared with $50,000 for the charter and operation of the herring vessels. The costs would therefore be as follows:

Capital cost, 3 vessels at $500,000	$1, 500, 000
Annual costs:	
Vessel operation, 3 at $150,000	450, 000
Scientists, supplies, etc	180, 000
Total	630, 000

The ships, of course, would not be limited to work on herring but would be multiple-use research vessels and could provide the means for accumulating information on the ocean existence of salmon and other commercially important species.

CONSTRUCTION

Obligations by activities

Description	1951 actual	1952 estimate	1953 estimate
Direct obligations			
1. Fish facilities	$1, 607, 710	$1, 170, 819	$200, 000
2. Wildlife facilities	241, 752	496, 438	200, 000
Total direct obligations	1, 849, 462	1, 667, 257	400, 000
Obligations payable out of reimbursements from other accounts			
1. Fish facilities	947		
2. Wildlife facilities	62		
Total obligations payable out of reimbursements from other accounts	1, 009		
Total obligations	1, 850, 471	1, 667, 257	400, 000

Obligations by objects

Object classification	1951 actual	1952 estimate	1953 estimate
Summary of personal services			
Total number of permanent positions	35	23	5
Full-time equivalent of all other positions	66	79	49
Average number of all employees	96	99	54
Average salaries and grades:			
General schedule grades:			
Average salary	$4,036	$4,843	$4,793
Average grade	GS-6.9	GS-8.2	GS-8.3
Personal service obligations:			
Permanent positions	$110,866	$80,027	$20,631
Part-time and temporary positions	196,437	236,519	143,018
Regular pay in excess of 52-week base		164	96
Payment above basic rates	898		60
Total personal service obligations	308,201	316,710	163,805
Direct obligations			
01 Personal services	307,405	316,710	163,805
02 Travel	24,206	23,532	3,900
03 Transportation of things	12,681	13,545	3,500
04 Communication services	2,628	890	290
05 Rents and utility services	835	105	200
06 Printing and reproduction	1,722	1,840	50
07 Other contractual services	714,227	521,703	84,463
08 Supplies and materials	288,494	205,705	86,695
09 Equipment	70,426	61,625	6,500
10 Lands and structures	425,114	520,989	50,000
15 Taxes and assessments	1,724	613	597
Total direct obligations	1,849,462	1,667,257	400,000
Obligations payable out of reimbursements from other accounts			
01 Personal services	796		
02 Travel	158		
04 Communication services	10		
06 Printing and reproduction	24		
08 Supplies and materials	21		
Total obligations payable out of reimbursements from other accounts	1,009		
Total obligations	1,850,471	1,667,257	400,000

Analysis of expenditures

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year		$569,067	$645,489
Obligations incurred during the year	$1,421,864	1,676,422	400,000
Transfer of unliquidated obligations from "Salaries and expenses, Fish and Wildlife Service," pursuant to Public Law 759, 81st Cong	49,915		
	1,471,779	2,245,489	1,045,489
Deduct:			
Reimbursable obligations	1,009		
Unliquidated obligations, end of year	569,067	645,489	245,489
Total expenditures	901,703	1,600,000	800,000
Expenditures are distributed as follows:			
Out of current authorizations:			
Out of appropriations to liquidate prior year contract authority	901,703	1,040,000	160,000
Out of new obligational authority		560,000	640,000
Out of prior authorizations			

Mr. KIRWAN. Now we will go over to "Construction." You are asking for $400,000 which is less than half the amount appropriated for each of the last 4 years. Is any new construction planned? If so, tell us briefly about it.

NEW CONSTRUCTION

Mr. DAY. In this particular item, $19,000 is included for the Millen, Ga., project, one of the hatcheries that was started under the construction program initiated in 1950. We have included $95,000 for the reconstruction of water lines at Crawford, Nebr. This is an old station; it has been there many years, a very useful station; it supplies fish for western Nebraska, some of Wyoming and some of South Dakota. The water supply line is an old wooden line coming in from Fort Robinson to the west of Crawford. The line is in bad shape and must be replaced. This is one of the most urgent items that we had before us and have requested $95,000 to replace the old wooden line.

There is a small item, $5,000 for Lamar, Pa.

In addition to the fish-hatchery construction, we are asking for $30,000 for Alaska fishery construction. $23,300 of that is for construction of marine ways at Naknek, which is now called King Salmon, with an important air base at that point. We use it as our principal summer headquarters to administer the very important Bristol Bay red salmon fishery. We have several large patrol boats that have to be pulled out and beached during the winter, which at the present time is a dangerous operation. The fellows now must pull them out on greased logs and it is not only very unsatisfactory but quite dangerous. We are asking for a small amount to complete the marine way so we can pull boats out without taking the chance of either wrecking the boats or injuring people, or both. We are asking for $2,200 to pave the apron of the airplane hangar at Anchorage which incidentally is a very fine facility. You remember, Congressman, that you folks were helpful in getting us that very fine hangar and shop facilities. We are doing our own work on airplanes now and I do not know how we would be operating in Alaska if it were not for that fact. Also, we are asking for $4,500 to put in a counting weir at Bear River which is one of the most important red salmon producing streams in the Bristol Bay area.

Could I say one word on another item of construction under "Wildlife facilities"? We have a very urgent request for $167,000. This item includes $150,000 to complete the 3-year construction program on the lower Klamath. This will be the third year of a 3-year construction program which you folks have permitted us to undertake. This year's program will put the dikes on that project in good shape so we can go ahead with controlling the waters at this important refuge.

I would like to call your attention to an item for $17,000 to repair a railroad trestle at Crab Orchard. This is the big industrial unit in southern Illinois that was taken over by the Service as a wildlife refuge, and it is a good one, by the way. There has been a great expansion in defense activities by the lessees of some of these buildings during the past year. We have had to ask for some increase for rising operating expenses as all of the receipts from rentals go into the Federal Treasury. Yet we have to come to you to ask for additional

money to service the lessors of those facilities. There is a very important request for $17,000 in connection with repairing the trestle on the only railroad coming into the property from the outside, which is the only means of ingress and egress. The whole plant was constructed some 10 or 15 years ago as a wartime activity and the designing of the railway and the facility was on a 10-year life basis. The 10 years is up and the trestles begin to show it and we need $17,000 very badly to give us funds for repair for the safety of the employees and the project.

General Administrative Expenses

Amounts available for obligation

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate	$912,500	$806,631	$904,000
Proposed supplemental due to pay increases		55,000	
Reimbursements from other accounts	29		
Total available for obligation	912,520	861,631	904,000
Unobligated balance, estimated savings	−7,285		
Obligations incurred	905,244	861,631	904,000

Obligations by activities

Description	1951 actual	1952 estimate	1953 estimate
Direct obligations			
1. Departmental expenses	$429,265	$437,917	$444,261
2. Regional office expenses	465,950	423,714	459,739
Total direct obligations	905,215	861,631	904,000
Obligations payable out of reimbursements from other accounts			
2. Regional office expenses	29		
Obligations incurred	905,244	861,631	904,000

Obligations by objects

Object classification	1951 actual	1952 estimate	1953 estimate
Summary of personal services			
Total number of permanent positions	201	164	192
Full-time equivalent of all other positions	1		
Average number of all employees	193	154	180
Average salaries and grades:			
General schedule grades:			
Average salary	$3,805	$4,552	$4,315
Average grade	GS–5.7	GS–6.1	GS–6.0
Personal service obligations:			
Permanent positions	$724,502	$710,248	$752,057
Part-time and temporary positions	1,874		
Regular pay in excess of 52-week base		2,820	2,734
Payment above basic rates	19,279	20,251	20,897
Total personal service obligations	745,655	733,319	775,688
Direct obligations			
01 Personal services	745,626	733,319	775,688
02 Travel	24,831	36,123	36,123
03 Transportation of things	2,121	3,000	3,000
04 Communication services	17,798	19,513	19,513
05 Rents and utility services	53,183	12,500	12,500
06 Printing and reproduction	9,366	13,584	13,584
07 Other contractual services	9,509	7,850	7,850
08 Supplies and materials	17,926	22,640	22,640
09 Equipment	24,495	12,612	12,612
15 Taxes and assessments	360	490	490
Total direct obligations	905,215	861,631	904,000
Obligations payable out of reimbursements from other accounts			
01 Personal services	29		
Obligations incurred	905,244	861,631	904,000

Analysis of expenditures

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year		$80,440	$67,071
Obligations incurred during the year	$905,244	861,631	904,000
	905,244	942,071	971,071
Deduct:			
Reimbursable obligations	29		
Unliquidated obligations, end of year	80,440	67,071	71,071
Total expenditures	824,775	875,000	900,000
Expenditures are distributed as follows:			
Out of current authorizations	824,775	745,500	835,000
Out of prior authorizations		78,000	61,500
Out of anticipated 1952 supplemental for pay increases		51,500	3,500

Mr. KIRWAN. We will now take up general administrative expenses. What part of the requested increase of $97,369 in this item is for additional personnel?

ADDITIONAL POSITIONS REQUESTED

Mr. GARDNER. Congressman, there again the comparison is with respect to the actual appropriation and not with respect to our base which is affected by the proposed supplemental appropriation for Public Law 201, the pay increase. The increase over the base that is requested in this item is divided between departmental expenses and regional office expenses. For departmental expenses, the increase is $4,205 for one budget assistant. The increase for the six regional offices totals $32,239 for personnel at regional offices. There is one position in region 1, two positions in region 2, two in region 3, two in region 4, one in region 5, and one in region 6. That is nine positions in the six regional offices; and one departmental position in Washington. This is one of the appropriations in the current year that was pretty hard hit because the reduction due to the Ferguson amendment was 10 percent of the amount budgeted for personal services without any exception. So we lost actually 26 positions.

Mr. KIRWAN. How many are you restoring now?

Mr. GARDNER. Ten. Only one in Washington, the other nine in the field.

Mr. KIRWAN. Are those nine necessary?

Mr. GARDNER. We feel they are very definitely necessary. As the Director has indicated, the workload in the field is on the increase right along because of the additional delegation of responsibility. Of the 26 positions we lost, 13 of them were in Washington. Out of those 13, we are only asking for 1.

LICENSE SALES

Mr. KIRWAN. Have your sales of hunting and fishing licenses increased from $26 million 2 years ago?

Mr. DAY. In general it has been increasing. In 1946 license sales were around $21 million; in 1951, better than $28 million.

Mr. KIRWAN. Up near $30 million now?

Mr. DAY. If we include duck stamps, yes. I am talking mostly about hunting and fishing licenses sold by the various State fish and game departments. From the standpoint of revenues, the cost of licenses to the hunters was better than $35½ million in 1946 and almost $72½ million in 1951. Also in 1951 they spent another $4 million for duck stamps to hunt migratory waterfowl. Then, of course, there are many others who hunt and fish who do not buy licenses. That is legal in some States for youngsters and for those hunting and fishing on their own lands where in some States no licenses are required.

Mr. KIRWAN. How much do you have in this budget?

Mr. DAY. $12,652,000.

SERVICE SELF-SUSTAINING

Mr. KIRWAN. Do you think—and I mean this with sincerity—that you are getting enough money? Yours is one of the very few agencies, or let us put it this way, one of the very few things in the Nation that is not subsidized. There is quite a return coming in from the fish and wildlife, and it comes directly into the Treasury of

the United States; whereas other activities take billions and billions. If you total up the value of this activity it should include automobiles, motorboats, shells, everything. This puts outdoor sporting activities into the billion-dollar bracket. It is about the only thing that the Government is not paying out for.

It is not like giving railroads special privileges for hauling oil. In fact, it is not like giving the shipping concerns what they get for merchant marine activities. Here, we give nothing to the man who buys a hunting and fishing license and all the equipment that is called for to go with it. So I think that there is very little that the United States Government is doing on this.

Mr. DAY. Estimates that have been made of the value of this fish and wildlife resource bear out your statement abundantly. Take the commercial fisheries, for instance, estimated to be worth at the retail level more than $1 billion, and provide about 10 percent of all animal protein foods of the Nation. Sport hunting and fishing alone has been estimated by some authorities to be worth annually something like $9 billion—money spent for boats and motors and airplanes and licenses and fuel and clothing and gear and the recreational things that people take when they go hunting and fishing. It is greater—actually, it has more volume—than all of the other outdoor sports combined. It is the greatest single American industry insofar as outdoor recreation is concerned.

Mr. KIRWAN. More business is created from it.

Mr. DAY. That is right.

Mr. KIRWAN. Again I say there is no subsidizing by the Government. Whether it is oil, farm, or railroad, or merchant marine, or whatever it may be, the Government is giving some of them billions of dollars but they are not doing that with this activity.

Mr. DAY. That is right.

ADMINISTRATION OF THE PRIBILOF ISLANDS

Amounts available for obligation

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate		$1,614,000	$1,938,000
Prior year balance available			477,000
Total available for obligation		1,614,000	2,415,000
Balance available in subsequent year		−477,000	−1,225,000
Obligations incurred		1,137,000	1,190,000
Comparative transfer from—			
"Management of resources, Fish and Wildlife Service"	$467,048		
"Investigations of resources, Fish and Wildlife Service"	33,425		
"Construction, Fish and Wildlife Service"	190,835	9,165	
"Fox and fur-seal industries, Pribilof Islands, Department of the Interior"	348,739		
"Expenses, fur seal and fox industries, Pribilof Islands, Fish and Wildlife Service, Department of the Interior"	37,351		
Total obligations	1,077,398	1,146,165	1,190,000

Obligations by activities

Administration of Pribilof Islands:	
1951	$1,077,398
1952	1,146,165
1953	1,190,000

Obligations by objects

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions	50	61	63
Full-time equivalent of all other positions	89	116	119
Average number of all employees	134	172	177
Average salaries and grades:			
General schedule grades:			
Average salary	$4,758	$5,132	$5,204
Average grade	GS-8.3	GS-7.9	GS-8.0
Crafts, protective, and custodial grades:			
Average salary	$3,619	$3,856	$3,913
Average grade	CPC-7.7	CPC-7.4	CPC-7.4
Ungraded positions: Average salary	$3,864	$3,864	$3,864
01 Personal services:			
Permanent positions	172,552	244,278	251,241
Part-time and temporary positions	267,082	347,003	358,288
Regular pay in excess of 52-week base		1,074	1,099
Payment above basic rates	40,209	37,236	38,617
Total personal services	479,843	629,591	649,245
02 Travel	6,704	14,250	16,050
03 Transportation of things	20,871	48,000	48,000
04 Communication services	720	1,250	1,400
05 Rents and utility services	271	2,730	2,850
06 Printing and reproduction	685	1,350	1,550
07 Other contractual services	94,201	18,200	20,111
08 Supplies and materials	456,206	440,379	448,324
09 Equipment	29,283	31,500	43,500
15 Taxes and assessments	73	2,050	2,100
Subtotal	1,088,857	1,189,300	1,233,130
Deduct charges for quarters and subsistence	11,459	43,135	43,130
Total obligations	1,077,398	1,146,165	1,190,000

Analysis of expenditures

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year			$137,000
Obligations incurred during the year		$1,137,000	1,190,000
		1,137,000	1,327,000
Deduct unliquidated obligations, end of year		137,000	227,000
Total expenditures		1,000,000	1,100,000
Expenditures are distributed as follows:			
Out of current authorizations		1,000,000	963,000
Out of prior authorizations			137,000

Mr. KIRWAN. We come now to the last item, the administration of the Pribilof Islands.

On the basis of experience to date, do you believe that 60 percent of the receipts of sale is a reasonable and proper amount for carrying out the Department's responsibility in the Pribilof Islands?

NEED FOR RESERVE

Mr. DAY. I think our experience so far will indicate that that is satisfactory for the Pribilof Islands, yes. It gives us enough of a reserve that we can meet the contingencies which always arise. Two years ago our supply vessel, the *Penquin*, burned at the dock in Seattle. Fortunately, we were able to pick up a surplus vessel without much delay but if it had been necessary to go out and buy it we would have had to have more money. We need the sort of reserve that is now available to us.

One year ago the processing sheds on St. George Island where the skins from that island are processed and salted burned to the ground and we had to come in with request for a supplemental appropriation which you folks granted and we rebuilt the sheds so they are now operating. At present with the reserve that is being built up under the 60-percent appropriation clause, we are in good shape to meet future contingencies of this sort. I think it is a good business arrangement.

Mr. KIRWAN. I am of the same opinion as you that every dollar that you ask for in the budget you need and in fact it should be more. And more is needed to guard this area more completely than it is being guarded. It is apparently not getting the attention it should. I am not holding you responsible, but on my trip to Alaska, I saw many streams up there that had gone dry; the fish cannot go back to spawn and when they cannot, it means destruction of the fish.

SITUATION IN ALASKA

Mr. DAY. I am glad you mentioned Alaska. Our situation in Alaska is getting almost desperate, but because of budget ceiling limitations we were unable to come before you with anything like a reasonable request for handling our work in Alaska. The fish and game of Alaska represent no less than 85 percent of the basic economy of the Territory. The Territorial taxes are paid largely by the commercial fishery interests. Yet our situation in Alaska is growing more desperate daily. More and more people are going to Alaska and due to the military and related civilian construction programs the situation is really startling and tragic in some places. The native population of Alaska is still dependent and they will be as near as we can see for the next 100 years upon the fish and game resources. Yet those resources are being rapidly dissipated and we are not keeping up with their protection and management.

As an example, I would like to tell you about an experience that we had attempting to build a headquarters to house two agents at Kotzebue, which is over on the Bering Sea, to protect the fur and game resources for the natives in an area that is almost the size of Texas. We had two men located there, one agent on predator-control work and one agent to protect the game, but substandard housing is so terrible there that the fellows just refused to stay. One man and wife with children growing up among the native youngsters there—many of whom have tuberculosis—stayed about a year after which the wife decided that she wouldn't take it any longer and insisted on leaving. As a result we had to close up the office. But you voted $40,000 to build a duplex house at Kotzebue, so we could house two employees. We need two men at each station because, it is very dangerous to send one man out by himself in areas where the temperature goes to 50° to 70° below zero. Travel is by plane and dog team so we station them in pairs. You gave us $40,000 and we felt very proud of ourselves that we were going to get a headquarters at Kotzebue. We sent out invitations to bid on the house. The first bid was for $67,000. We then readvertised and the next bid was for $91,000. We resolicited and the next time there was no bidding at all.

Off the record, if I may.

(Discussion off the record.)

Mr. KIRWAN. I am glad you are telling us this. Much money is put into the Alaskan Railroad. There is pressure on Congress about national defense activities in the area. But here is something that is more vital. This is national defense, to keep food up there for the natives of Alaska. And yet we have just a couple of million dollars to take care of all of Alaska.

Mr. DAY. I was a member of a survey party 2 years ago that studied the conditions—the health conditions of the natives of the Bering Sea area. I hope I sent you copies of the report. If not, I will see that you get them. It is absolutely disheartening and startling to find the conditions under which those natives live. They are completely and thoroughly dependent upon the fish and game resources of the Territory.

For instance I was in Alaska this summer with Regional Director Clarence Rhode, Assistant Secretary Northrup and Mr. Beasley. We landed in a service plane at Kobuk, north of the Arctic Circle. A white trader lives there, one of the members of the Alaska Game Commission. They had very high water on the Kobuk River this spring and we found that the condition this year will be serious. The water was so high that the natives were unable to catch the usual quota of salmon and the shellfish that run up through those rivers. Drying and smoking racks that one normally found loaded down with fish at that time of the year were empty. Those people are facing a very severe winter. I do not know what they are doing right now but this will be probably one of the toughest years within the memory of the people living around Kobuk. There are several other little communities along this river, and they are all extremely short of the staples of life—dried fish and seal oil.

In spite of all the war construction of buildings and all of the money this Government is pouring into Alaska to build highways and airplane bases and radar stations and what not, those natives up there are still dependent upon fish and seal oil in the wintertime just as their ancestors were 5,000 years ago, and we are unable to protect and manage the basic wildlife resource upon which they depend. That was in the area where we had to pull those two agents out. We are not giving them the help they need to protect the reindeer herds against the wolves. We are not able to see that the illegal taking of fur and game is checked. We are not able to work with them on the basis of education as we should be doing, trying to get them to do a better job of conserving these resources.

Mr. KIRWAN. Do we not have to depend on the natives more, say in case of national defense than anybody up there?

Mr. DAY. They are very important; yes, because they are the only people living there.

Mr. KIRWAN. Who is going in to do search work, and who is going to lead and guide the military up there? Is it not one of these people?

Mr. DAY. They can be very useful in that way.

Mr. KIRWAN. No colonel or no general knows that terrain or the climate up there like one of the natives. Therefore, they have got to get him to lead them in and out of the wilderness.

Mr. DAY. When you are in that country in the wintertime, you still find sleds and dog teams as the chief mode of travel.

Mr. KIRWAN. What does a man from Ohio know about where he is going or how he is going to get there? He still has to depend upon the native.

Mr. DAY. Very true.

SEAL INDUSTRY PROFITS

Mr. JACKSON. We make a substantial profit out of the Pribilof operations?

Mr. DAY. About a million and a half dollars a year.

Mr. JACKSON. Net?

Mr. DAY. Yes; and that all goes into the Federal Treasury.

Mr. JACKSON. Over and above the operating expenses.

Mr. DAY. Yes. And if we could use some of that million and a half that goes into the Federal Treasury, to do the kind of a job that needs to be done to protect the fish and wildlife resources of the mainland of Alaska, it would be the finest thing that could be done. It is very very difficult—you gentlemen know better than I—to come up with an estimate and show you what is happening in Alaska in order to get another half-million dollars or a million dollars or whatever is needed. If some device could be found whereby we could use some of that wildlife profit money that is going into the Treasury, to do this emergency job of protecting other wildlife and fishing resources of Alaska, without going through the regular processes of legislative hearings and so on, it would be most helpful.

CRITICAL SITUATION IN ALASKA

Mr. JACKSON. I quite agree with you, Mr. Day, that the situation in Alaska is critical. We have in excess of half our salmon resources in Alaska, the entire catch for the United States as a whole. I do not think that we are doing enough to conserve the resources. I believe the figures indicate that each year the catch has been going down over a period of the past 20 years. I am sure that a lot of that is due to the fact that you do not have the necessary administrative funds to properly look after that particular resource.

I am sure the problem is very acute in connection with the game situation. You have had this tremendous increase in population in Alaska and every individual that comes up from the States on a construction job, all of the military personnel that is up in that area, in their spare moments want to go out and hunt game whether it is in season or out of season.

INADEQUACY OF GAME PROTECTORS

How many game protectors do you have in that area?

Mr. DAY. Our total enforcement staff is about 20 wardens. I am quite certain, without checking the records that the State of Rhode Island has more wardens patrolling and policing that State than the Federal Government has for the entire Territory of Alaska, which is one-fifth the size of the United States.

Mr. JACKSON. There is your problem.
Alaska has the greatest potential game reserve in the entire Western Hemisphere.

Mr. DAY. That is right.

Mr. JACKSON. It also has the greatest fishery resource in the Northern Hemisphere.

Mr. DAY. Nothing else like it in the world. To point up your comment there as to inadequacy of staff, I might tell you that 20 years ago the appropriations were such that we could hire something like 200 stream guards in the summertime at individual locations where they prevented fishermen from coming in and seining the fish out of the streams while they were ripening up for spawning. As I recall the figures, there were funds for better than 200 of those temporary stream guards each summer. I think we have about 50 now.

Mr. JACKSON. As a result, our annual catch has been going down.

Mr. DAY. That is right and the fishing pressure has increased probably tenfold. The amount of gear, and the number of boats has gotten terrific. We sorely need some relief in Alaska. I have been talking to Delegate Bartlett and I think we are going to try to get some legislation this year or next which will be more up to date. The basic law under which we operate is dated 1906. Yet, you could have the finest law that could possibly be devised, but as long as you have only a handful of people trying to enforce that law and manage the resource you are apt to fail. Your laws are important, but you most also have people to enforce those laws. Here we sit, painfully watching the resources going down hill, sitting helplessly by because of a lack of funds.

Mr. JACKSON. That is all, Mr. Chairman.

SEA LAMPREY PROGRAM IN LAKE ERIE

Mr. KIRWAN. What are you doing about the sea lamprey up in Lake Erie?

Mr. DAY. The sea lamprey program is going along very nicely, Mr. Congressman. We have a very fine staff of young workers in this field, cooperating with the States and with Canada, and they have been able to find some very definite answers to the perplexing problems that faced us when we undertook this problem a few years ago. Then we did not know much about the life history of the sea lamprey. For instance, we thought they were in all the streams along the Great Lakes. We have found out now that they will spawn only in streams with a suitable gravel bottom. They make nests very similar to bass nests or trout nests—of gravel of just the right size—they build these nests and then the eggs are deposited, after which both the male and female sea lamprey die, similar to salmon. The eggs lie in the gravel for 5 or 6 years. Then they emerge as what is called a larval stage—they look like a worm about 4 inches long. They come out and float or swim into the Great Lakes at which time they start attaching themselves to fish of all kinds and killing them. They have a suction mouth and a drill that cuts through the hide of the fish. They secrete a fluid which prevents the blood from coagulating and after they have sucked on the fish for a few hours that poor fish turns the color of white paper as they suck the blood and body juices out of him. The fish dies and they then detach themselves and attack another one.

During the summer season after killing innumerable fish and by the time they get ready for spawning, they have grown from little

worms 6 inches long to big eel-like things, 2 feet or more long and 2 inches thick. We have found that only a certain number of the streams are good spawning grounds. We can type perhaps 1 out of 10 streams as not being suitable for spawning, so that has given us a better opportunity than we thought we had in the first instance. Our scientific workers, in cooperation with some electrical engineering experts, have developed selective electrical screens. Actually, and I was up there this summer and tested some of them. I saw electrical fish weirs that have been experimented on for many years on the west coast in an attempt to guide the salmon and trout in to safe waters. But salmon and trout are so intent on going up to the spawning grounds that you almost have to kill them in order to stop them regardless of future hazards. These sea lampreys work differently, they swim with a snake-like motion. They have a much larger body surface, actually. Thus electrical devices can be so adjusted that they will kill the sea lamprey but let the trout and bass go on through. It can be adjusted to that point for trout and bass. Our workers are now designing additional and more effective electrical devices. Congress has shown an active interest and has increased our authorization from $226,000, as I recall, to $500,000 to provide more electrical devices. We asked for another $150,000 under that authorization to buy additional electrical weirs and gadgets and equipment and so on. I think that we are going to find within 5 years that the problem can be taken care of, at least on the United States side. But we do not know what the cost will be, either the original cost or the maintenance. It is going to be high. I think we will find, however, that it can be done and that the sea lamprey can actually be controlled.

REQUEST FOR SEA LAMPREY CONTROL

Mr. KIRWAN. How much is there in this budget for it?

Mr. DAY. For sea lamprey work, approximately $190,000,

Mr. GARDNER. Mr. Day said that the authorization at this last session of Congress was increased to $500,000 for sea lamprey work. But in the final act the authorization for the increase was restricted to the current fiscal year 1952. So in our 1953 budget you will notice at page 45 of our justification, we reflect a decrease of $150,000 under this research item. That represents the supplemental appropriation we got this current year but we will not have that additional amount in 1953. It is not involved in our 1953 estimates because of being up as a nonrecurring item due to the authorization being restricted to the current fiscal year.

Mr. DAY. I should place in the record at this point the fact that because of the appropriation coming through so late last year and the fact that we only had about 6 months in which to operate, we were not able to secure all of the equipment and the gear and so on that was necessary. Congressman Potter is proposing to have another hearing before Mr. Boykin's committee, Merchant Marine and Fisheries, to ask that the authorization for additional funds be extended for several years. So we may come back to you for additional funds after that legislation is taken care of.

REQUEST FOR ALASKA

Mr. KIRWAN. What is your total budget for Alaska?

Mr. GARDNER. That would be pretty difficult to say, offhand Mr. Chairman, because we have several Alaska items; for example, under predatory and rodent-control activity, there is something like $85,000 earmarked for expenditure in Alaska.

Mr. KIRWAN. As near as you can estimate——

Mr. DAY. I do not think we have more than a million and a half going into the total Alaskan program.

VALUE RECEIVED

Mr. KIRWAN. What was the amount of fish that came out of there last year?

Mr. DAY. The annual wholesale value of fish amounts to about $130,000,000 a year.

Mr. KIRWAN. You have furs that create great business, processing and selling them all over the years. You have the native that depends upon the food, and on whom we have to depend in national defense to show the military where they are going and how they are going. Yet we have expended only $1,500,000. With the billions we are dumping into Alaska, here is the most essential of them all and we are just spending $1,500,000.

Mr. DAY. I am excluding the Pribilof Islands program and talking only about the fisheries, fur and game administration of the Alaska mainland.

Mr. JACKSON. As he pointed out, we are spending less and we have less in the way of personnel available to administer the salmon resources today than we had 20 years ago.

Mr. KIRWAN. He said there are more game wardens in little Rhode Island than you have in Alaska. We are going to take the escape route that we took down here in the United States only much faster up there. They fertilized by the billions in the district I represent, now there is not one sturgeon in Lake Erie.

Mr. DAY. It is desperate in Alaska, I can assure your committee of that, and we do not know where to turn next.

Mr. KIRWAN. I do not know where you could turn up there with weather conditions that you have and everything else and yet no personnel. That is all.

MONDAY, JANUARY 21, 1952.

GEOLOGICAL SURVEY

WITNESSES

WILLIAM E. WRATHER, DIRECTOR
GERALD FITZGERALD, CHIEF TOPOGRAPHIC ENGINEER
WILMOT H. BRADLEY, CHIEF GEOLOGIST
CARL G. PAULSEN, CHIEF HYDRAULIC ENGINEER
A. NELSON SAYRE, CHIEF, GROUND WATER BRANCH
HAROLD J. DUNCAN, CHIEF, CONSERVATION DIVISION
JOHN L. RAMSEY, BUDGET OFFICER
D. OTIS BEASLEY, DIRECTOR OF BUDGET AND FINANCE

SURVEYS, INVESTIGATIONS, AND RESEARCH

Amounts available for obligation

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate	$18,882,000	$21,450,000	$29,055,000
Transferred to "Expenses of defense production, Executive Office of the President," pursuant to Public Law 45	−300,000		
Adjusted appropriation or estimate	18,582,000	21,450,000	29,055,000
Proposed supplemental due to pay increases		649,000	
Reimbursements from:			
Non-Federal sources	3,674,196	4,357,900	4,548,000
Direct State payments	923,458	950,000	950,000
Other accounts	590,919	521,100	520,000
Total available for obligation	23,770,573	27,928,000	35,073,000
Unobligated balance, estimated savings	−152,934		
Obligations incurred	23,617,639	27,928,000	35,073,000
Comparative transfer from—			
"Engineer service, Army"	624,340		
"Maintenance and operation, Army"		4,912,865	
Total obligations	24,241,979	32,840,865	35,073,000

NOTE.—Reimbursements from non-Federal sources above are from States and municipalities for expenses incurred in making cooperative topographic and geologic surveys and water resources investigations (43 U. S. C. 48), proceeds from sale to the public of copies of photographs and records (43 U. S. C. 45), and reimbursements from permittees and licensees of the Federal Power Commission (16 U. S. C. 797).

Obligations by activities

Description	1951 actual	1952 estimate	1953 estimate
Direct obligations			
Appropriated funds:			
1. Topographic surveys and mapping	$8,138,967	$13,267,865	$13,900,000
2. Geologic and mineral resources surveys and mapping	4,073,520	5,822,000	6,525,000
3. Water resources investigations	5,155,734	5,912,000	6,375,000
4. Soil and moisture conservation	40,518	44,000	44,000
5. Classification of lands	322,791	360,000	410,000
6. Supervision of mining and oil and gas leases	838,696	936,000	1,110,000
7. General administration	483,180	670,000	691,000
Total obligations from appropriated funds	19,053,406	27,011,865	29,055,000
Reimbursements from non-Federal sources:			
1. Topographic surveys and mapping	1,275,547	1,810,000	1,800,000
2. Geologic and mineral resource surveys and mapping	205,110	142,900	143,000
3. Water resources investigations	3,116,997	3,355,000	3,555,000
Total obligations payable out of reimbursements from non-Federal sources	4,597,654	5,307,900	5,498,000
Total direct obligations	23,651,060	32,319,765	34,553,000
Obligations payable out of reimbursements from other accounts			
1. Topographic surveys and mapping	256,593	200,000	200,000
2. Geologic and mineral resource surveys and mapping	28,139	47,100	47,000
3. Water resources investigations	305,006	271,000	270,000
5. Classification of lands	593	1,500	1,500
6. Supervision of mining and oil and gas leases	588	1,500	1,500
Total obligations payable out of reimbursements from other accounts	590,919	521,100	520,000
Total obligations	24,241,979	32,840,865	35,073,000

Obligations by objects

Object classification	1951 actual	1952 estimate	1953 estimate
Summary of personal services			
Total number of permanent positions	3,865	4,735	5,085
Full-time equivalent of all other positions	760	1,045	1,075
Average number of all employees	4,370	5,330	5,925
Average salaries and grades:			
General schedule grades:			
Average salary	$4,008	$4,390	$4,390
Average grade	GS–6.4	GS–6.4	GS–6.4
Personal service obligations:			
Permanent positions	$14,415,979	$18,745,000	$21,200,000
Part-time and temporary positions	2,020,266	2,940,000	3,130,000
Regular pay in excess of 52-week base		75,000	80,000
Payment above basic rates	225,278	110,000	120,000
Payments to other agencies for reimbursable details	3,190		
Total personal service obligations	16,664,713	21,870,000	24,530,000
Direct obligations			
Appropriation funds:			
01 Personal services	12,642,959	17,500,000	20,000,000
02 Travel	1,167,523	1,505,000	1,725,000
03 Transportation of things	127,599	155,000	175,000
04 Communication services	78,200	95,000	105,000
05 Rents and utility services	173,994	163,000	183,000
06 Printing and reproduction	390,986	450,000	510,000
07 Other contractual services	1,394,787	2,400,000	1,425,000
Services performed by other agencies	166,704	1,150,000	725,000
08 Supplies and materials	1,148,378	1,486,365	1,669,500
09 Equipment	1,751,136	2,050,000	2,450,000
13 Refunds, awards, and indemnities	2,201		
15 Taxes and assessments	11,466	60,000	90,000
Subtotal	19,055,933	27,014,365	29,057,500
Deduct charges for quarters and subsistence	2,527	2,500	2,500
Total obligations payable out of appropriated funds	19,053,406	27,011,865	29,055,000
Reimbursements from non-Federal sources:			
01 Personal services	3,565,019	3,975,000	4,135,000
02 Travel	306,454	342,000	357,000
03 Transportation of things	7,276	9,000	10,000
04 Communication services	16,819	18,000	20,000
05 Rents and utility services	46,074	17,000	17,000
06 Printing and reproduction	16,773	21,000	22,000
07 Other contractual services	147,945	285,000	275,000
Services performed by other agencies	49,505	88,000	79,000
08 Supplies and materials	265,319	305,900	322,000
09 Equipment	175,951	225,000	237,000
13 Refunds, awards, and indemnities	149		
15 Taxes and assessments	370	22,000	24,000
Total obligations payable out of reimbursements from non-Federal sources	4,597,654	5,307,900	5,498,000
Total direct obligations	23,651,060	32,319,765	34,553,000
Obligations payable out of reimbursements from other accounts			
01 Personal services	456,735	395,000	395,000
02 Travel	39,822	33,000	33,000
03 Transportation of things	946	1,000	1,000
04 Communication services	2,186	2,000	2,000
05 Rents and utility services	5,987	1,700	1,700
06 Printing and reproduction	2,179	2,000	2,000
07 Other contractual services	19,224	25,000	25,000
Services performed by other agencies	6,433	10,000	9,000
08 Supplies and materials	34,476	29,400	29,300
09 Equipment	22,864	20,000	20,000
13 Refunds, awards, and indemnities	19		
15 Taxes and assessments	48	2,000	2,000
Total obligations payable out of reimbursements from other accounts	590,919	521,100	520,000
Total obligations	24,241,979	32,840,865	35,073,000

Analysis of expenditures

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year		$1,503,644	$2,602,644
Obligations incurred during the year	$23,617,639	27,928,000	35,073,000
	23,617,639	29,431,644	37,675,644
Deduct:			
Reimbursable obligations	5,188,573	5,829,000	6,018,000
Unliquidated obligations, end of year	1,503,644	2,602,644	3,857,644
Total expenditures	16,925,422	21,000,000	27,800,000
Expenditures are distributed as follows:			
Out of current authorizations	16,925,422	19,081,000	25,570,000
Out of prior authorizations		1,300,000	2,200,000
Out of anticipated 1952 supplemental for pay increases		619,000	30,000

Mr. KIRWAN. Dr. Wrather, do you have a statement to make?

Mr. WRATHER. Yes, sir; I have a brief statement.

Mr. KIRWAN. Before we hear your statement, we will insert in the record at this point pages 42, 43, and 44 of the justifications.

(The pages referred to are as follows:)

Amounts available and estimated for work of the Geological Survey in the fiscal years 1952 and 1953 from all sources (as of Jan. 1, 1952)

	1952	1953
Topographic surveys and mapping:		
Geological Survey appropriation	$8,190,000	$13,900,000
Proposed supplemental due to pay increases	290,000	
Comparative transfer from Department of the Army	4,787,865	
States, counties, and municipalities	1,780,000	1,770,000
Department of the Interior: Bureau of Reclamation	2,226,569	2,050,000
Department of Commerce: Bureau of Public Roads	46	
Department of Defense:		
Department of the Air Force	692,276	810,000
Department of the Navy	560	
Miscellaneous Federal agencies	200,000	200,000
Sale to the public of aerial photographs and photographic copies of records	30,000	30,000
Total	18,197,316	18,760,000
Geologic and mineral resource surveys and mapping:		
Geological Survey appropriation	5,710,000	6,525,000
Proposed supplemental due to pay increases	112,000	
States, counties, and municipalities	142,900	143,000
Department of the Interior:		
Bureau of Indian Affairs	5,921	
Bureau of Mines	24,896	
Bureau of Reclamation	396,851	360,000
Defense Minerals Exploration Administration	271,600	
Petroleum Administration for Defense	40,000	
Department of Defense:		
Department of the Air Force	35,250	20,000
Department of the Army	1,120,079	905,000
Department of the Navy	318,792	281,000
Department of State	875	
Atomic Energy Commission	4,985,264	7,746,200
Defense Materials Procurement Agency	116,400	
Mutual Security Agency	1,111,572	851,600
Miscellaneous Federal agencies	47,100	47,000
Total	14,439,500	16,878,800
Water resources investigations:		
Geological Survey appropriation	5,779,000	6,375,000
Proposed supplemental due to pay increase	133,000	
States, counties, and municipalities	3,300,000	3,500,000
Department of the Interior:		
Bonneville Power Administration	3,283	
Bureau of Indian Affairs	117,581	25,000
Bureau of Reclamation	1,330,845	1,131,500
Department of Defense:		
Department of the Air Force	18,000	
Department of the Army	1,383,245	992,000
Department of the Navy	24,349	

Amounts available and estimated for work of the Geological Survey in the fiscal years 1952 and 1953 from all sources (as of Jan. 1, 1952)—Continued

	1952	1953
Water resources investigations—Continued		
Department of State	$125,000	$95,000
Atomic Energy Commission	334,727	150,000
Tennessee Valley Authority	102,760	95,000
Miscellaneous Federal agencies	271,000	270,000
Permittees and licensees of the Federal Power Commission	55,000	55,000
Total	12,977,790	12,688,500
Soil and moisture conservation:		
Geological Survey appropriation	41,000	44,000
Proposed supplemental due to pay increases	3,000	
Total	44,000	44,000
Classification of lands:		
Geological Survey appropriation	340,000	410,000
Proposed supplemental due to pay increases	20,000	
Department of the Interior: Bureau of Reclamation	472	
Miscellaneous Federal agencies	1,500	1,500
Total	361,972	411,500
Supervision of mining and oil and gas leases:		
Geological Survey appropriation	880,000	1,110,000
Proposed supplemental due to pay increases	56,000	
Department of Defense: Department of the Navy	31,700	33,700
Miscellaneous Federal agencies	1,500	1,500
Total	969,200	1,145,200
General administration:		
Geological Survey appropriation	510,000	691,000
Proposed supplemental due to pay increases	35,000	
Comparative transfer from Department of the Army	125,000	
Department of the Interior: Bureau of Reclamation	108,500	108,500
Department of Defense:		
Department of the Air Force	19,400	15,000
Department of the Army	53,400	31,000
Department of the Navy	300	300
Atomic Energy Commission	62,000	95,800
Mutual Security Agency	18,400	18,400
Total	932,000	960,000
Summary:		
Geological Survey appropriation	21,450,000	29,055,000
Proposed supplemental due to pay increases	649,000	
Comparative transfer from Department of the Army	4,912,865	
State, counties, and municipalities	5,222,900	5,413,000
Other Federal agencies	15,602,013	16,335,000
Permittees and licensees of the Federal Power Commission	55,000	55,000
Sale to the public of aerial photographs and photographic copies of records	30,000	30,000
Grand total	47,921,778	50,888,000

GENERAL STATEMENT

Mr. WRATHER. Mr. Chairman, I welcome this opportunity to discuss with your committee our budget estimate for the fiscal year 1953. You are all so familiar with the principal functions of the Geological Survey that time need not be taken to outline them. At the outset, therefore, I should like merely to offer a brief statement summarizing the demands placed upon the Geological Survey by the present national emergency and the program adjustments that the Survey is making and must make in order to fulfill its obligations. After that, I shall be happy to answer any questions you may care to ask.

AMOUNT REQUESTED

The 1953 budget includes an estimate of $29,055,000 for direct appropriation to the Survey. This represents an effective increase of about $2,000,000 over that for the present year after taking into consideration the proposed comparative transfer of about $5,000,000 from the Department of the Army. In addition, the budget includes an estimate of nearly $22,000,000 to be available from other Federal agencies and from cooperating States and municipalities.

DEMANDS ON MINERAL RESOURCES

Modern warfare makes unprecedented demands upon the Nation's mineral resources; failure to meet those demands would endanger our very existence. Yet the reserves and the production of even the more plentiful minerals are not adequate to provide both for military preparedness and for normal peacetime needs; and all too many of the minerals most essential for war purposes are in very short supply.

The Geological Survey can and must make its utmost contribution to the national effort to cope with this critical situation. The Survey's programs have been reoriented and directed almost wholly toward defense requirements, and its activities are being intensified and expanded to gather the essential geologic information about our natural resources. That information provides invaluable guides to the mineral industry in searching for and producing mineral supplies, and also provides guidance to the special defense agencies developing stockpiles and allocating the available minerals to the most essential uses. The problems are so many and varied and the needs are so great that the Survey's capacity to carry on its tasks must be still further expanded and strengthened.

TOPOGRAPHIC MAPPING PROGRAM

The topographic mapping facilities of the country are strained even in normal times to provide all the topographic maps necessary to the peacetime economy for the planning and execution of a great variety of projects. With the threat of war, the need for maps for these purposes is not diminished, and additional mapping is required in connection with projects peculiar to the emergency, such as the development of atomic energy, industrial decentralization, and even actual military operations.

Thus, even though the mapping program has been scrutinized most carefully and projects not essential to national defense have been eliminated, it still is necessary to provide more topographic mapping capacity in these times of national emergency.

GEOLOGIC MAPPING AND RESEARCH

Our search for new sources of minerals is being rewarded through our long-range program of geologic mapping and research. We have recently learned that one of our geologic maps enabled a mining company to discover a very large reserve of new zinc ore. Our geochemical research has revealed several new possible sources of the rare metal columbium, which is in very short supply and which is of critical importance to the jet-engine industry.

As a whole, our broad program of geologic surveys and research is directed toward increasing our sources of minerals and mineral fuels and toward providing the basic geologic data upon which civil and military engineering plans must depend for sound and economical execution.

WATER INVESTIGATIONS

The demand for information on the Nation's water resources grows with the demand for water—and multiplies during floods and droughts. More than 20,000 requests for such information are now being received each year. Over 40 percent of these are coming from Federal agencies. Much of the information goes directly into the military and mobilization effort. Water investigations during 1953 will be directed largely toward continuing the long-range program which is a key to successful utilization of our water sources. Increased effort is required in recasting accumulated data into their most usable form, in investigating areas of critical water supply, and in directing the Survey's increasing knowledge of ground waters to mining problems.

LAND CLASSIFICATION

I am concerned by our inability to keep pace with the demands made upon us for land classification and for mineral-lease supervision and regulatory services. Most of the small annual increases granted for these activities have been needed to pay increased salary, equipment and supply costs.

Meanwhile, there has been an unprecedented and rapidly accerating increase in the workload. For example, during the last 5 years there has been more than a threefold increase in the workload of classification and during the same period the workload of mineral supervision has increased 2½ times; yet available funds have permitted us to increase our staff for this work only 11 percent.

SALARY INCREASES

Mr. KIRWAN. Doctor, what have you in this request for salary increases? What does that amount to over last year?

Mr. WRATHER. The amount we are asking for because of increased pay is $649,000, which is approximately half of the total cost in relation to our regular program. We are absorbing the other half.

TOPOGRAPHIC SURVEYS AND MAPPING

Mr. KIRWAN. The first item is "Topographic surveys and mapping." We will insert page 4 of the justification in the record.

(P. 4 of the justification is as follows:)

The major objective of the long-range mapping program is to obtain complete coverage of the continental United States with either engineering or general-purpose maps. Engineering maps will be prepared of those areas where it appears that they will be required in the foreseeable future. General-purpose maps will be prepared for the balance of the country. As engineering maps cost more to produce than general-purpose maps, careful consideration is given to the problem of limiting the amount of the more expensive compilation, without running the risk of an undue amount of resurveying at a later date.

With respect to Alaska, it is believed now that it will be necessary to cover only about 60 percent of that Territory with general-purpose maps, but that the entire

Territory should be covered by a series of reconnaissance maps at a scale of 1 inch equals 4 miles. A provisional series of such maps, compiled mainly from exploratory maps, is nearing completion. It is planned to start immediately the compilation of a more accurate series at the same scale from more accurate data, where these are available, and from actual reconnaissance surveys where necessary.

The immediate program, financed from this appropriation, has been influenced largely by the current international situation. The greatest emphasis has been placed first on military requirements for mapping, and second on the demands of the agencies responsible for the development of critical minerals, particularly the Atomic Energy Commission and the Geological Survey itself. The most important of the programs in support of the development of other natural resources, the major river basins and the Nation's general economy, are being carried forward with the remaining available capacity.

Activities	Adjusted appropriation	Decreases	Base, 1953	Estimate, 1953	Increases
(a) Engineering mapping	$5,507,000	$7,000	$5,500,000	$5,500,000	
(b) General-purpose mapping	6,638,000	8,000	6,630,000	6,900,000	$270,000
(c) Reconnaissance mapping	360,000		360,000	360,000	
(d) Map revision	762,865	1,000	761,865	1,140,000	378,135
Total	13,267,865	16,000	13,251,865	13,900,000	648,135

The following nonrecurring item has been deducted in arriving at the base for the 1953 estimate for this activity: Amount included in the 1952 appropriation for building rentals, hereafter to be financed by the General Services Administration, $16,000.

RELATIONSHIP TO NATIONAL DEFENSE

Mr. KIRWAN. Are all the four activities under this item related to the national defense?

Mr. WRATHER. I would not say exclusively, no, because there is in that a lot of our regular program. But, of course, in the regular program there is great emphasis on the industrial development and mobilization in the country. So you might say that the whole program is slanted toward the military mobilization effort.

FUNDS RECEIVED FROM DEFENSE DEPARTMENT

Mr. KIRWAN. What money are you getting, if any, from the Defense Department?

Mr. WRATHER. In addition to the funds in our regular budget, we are due to receive about $5,000,000 from the Department of Defense, chiefly for topographic mapping. Of that amount, about $1,000,000 was transferred in 1951; and we have assurance that the whole amount will be transferred as requested.

In addition, there are other items throughout the budget, as shown in the table already introduced, showing amounts from all sources. There are water investigations, a substantial amount of which was financed by the Corps of Engineers. In geology, of course, we have a very substantial transfer of funds, $1,000,000 or so, on military geology. So all through our budget there are special items of that character that come to us from the Department of Defense.

NEW METHODS OF MAPPING

Mr. KIRWAN. On page 7 of the justifications there is a mention of some new methods of mapping in Alaska which are reducing costs. Tell us about them briefly.

Mr. WRATHER. I would like to ask Mr. FitzGerald, the chief topographic engineer, to respond to that.

Mr. FITZGERALD. The new methods are a combination of aerial photography and helicopter triangulation used in controlling areas to be mapped. We have been able to work at least four to five times faster than we had originally planned, partly because we had good weather, but mainly because of this combination of helicopter for transport of our engineers and their equipment to mountaintops. This combined with the use of modern aerial photographic compilation techniques greatly speeds up our field and office work.

COOPERATIVE MAPPING PROGRAM

Mr. KIRWAN. In the cooperative mapping program, are you always asked to provide services, or do you sometimes initiate the work?

Mr. FITZGERALD. We are always asked to enter into cooperation with a State or sometimes with a county. In the last year we have had to turn down some of these requests because it would have placed too much of a burden on our regular program. But in general the State always initiates the request for cooperative mapping.

Mr. KIRWAN. At no time does the Department go out and solicit work?

Mr. FITZGERALD. That is correct.

ACTIVITIES IN ALASKA

Mr. KIRWAN. Doctor, are much of your activities now in Alaska?

Mr. WRATHER. No; Alaska is only a portion of our whole activities, something like $1,000,000 in geology. Mr. FitzGerald, what is our program in topography?

Mr. FITZGERALD. It is a smaller amount this year than last—about one and a quarter million dollars.

Mr. WRATHER. The survey total for work in Alaska, Mr. Kirwan, is $2,187,400—the over-all Survey.

Mr. KIRWAN. And you have $1,000,000 in geology up there?

Mr. WRATHER. Yes; the total is mostly divided between geology and topography.

GEOLOGIC AND MINERAL RESOURCE SURVEYS AND MAPPING

Mr. KIRWAN. We now come to "Geologic and mineral resource surveys and mapping." We will insert page 11 of the justification in the record.

(Page 11 of the justification is as follows:)

This program of geologic surveys and research continues to be directed toward (1) increasing our sources of minerals and mineral fuels and (2) providing the basic geologic data upon which civil and military engineering plans must depend for sound and economical execution. Defense production requirements already exceed the anticipated production from known sources of a large number of critical

mineral materials, providing urgent arguments for increasing our known resources. Large power demands by defense and related industries, and abnormally rapid growth of industrial centers call for an increase in basic geologic mapping to provide reliable information on the subsurface bedrock and other conditions that will affect design, excavation, and construction.

Subactivity	Adjusted appropriation	Decreases	Base 1953	Estimate 1953	Increases
(a) Mineral deposits studies	$2,560,000	$7,000	$2,553,000	$2,830,000	$277,000
(b) Mineral fuels investigations	1,405,000	5,000	1,400,000	1,600,000	200,000
(c) General service geology	308,000	1,000	307,000	450,000	143,000
(d) Alaskan mineral resources	649,000		649,000	745,000	96,000
(e) Capital outlay (Denver space and equipment)	900,000		900,000	900,000	
Total	5,822,000	13,000	5,809,000	6,525,000	716,000

The following nonrecurring item has been deducted in arriving at the base for the 1953 estimate for this activity:

Amount included in the 1952 appropriation for building rentals hereafter to be financed by the General Services Administration, $13,000.

INCREASE REQUESTED

Mr. KIRWAN. I will ask you to explain briefly the increase requested, amounting to $716,000.

Mr. BRADLEY. I will break the increases down. One of the principal increases is in the long-range mineral resources program—one that really is beginning to pay off now. For example, I have with me a geological map which we published and which enabled one of the big mining companies to discover 100,000,000 tons of zinc concentrate, which will amount to $135,000,000 worth of zinc.

That is more new zinc than has been discovered in all the rest of the United States in 39 years. That came about directly as a result of the mining company geologists studying this one geologic map.

Our geochemical research has begun to pay off in new sources of columbium, which is very badly needed; and also cobalt, particularly by means of the Geological Survey's geochemical prospecting work. The value of these discoveries in terms of new national wealth is many times over what we have put into the whole geological program over many years.

The increases in the fuels work are principally to extend the geologic mapping and subsurface geologic studies to assist the oil industry in the search for new oil fields. It is most desirable to get the domestic resources up to meet the increasing requirements. They have gone up and up. They are higher now than they have ever been, and they keep on going up. That results partly from defense activity and partly from exceptional growth of the Nation.

The coal resource work is a continuation of work that we have done trying to find out exactly how much and what kinds of coal we have in the Nation. The use of coal is increasing, particularly for power and for chemicals. We also want to know, and will want to know in the future, when we get to making liquid hydrocarbons out of coal, what the best kinds of coal are to use for that purpose and where they are located.

Our general service geology is directed now almost wholly to detailed geologic mapping in large industrial urban centers and in areas

where big highways and new airports are being planned. This geologic information is to assist the engineering profession in predicting what they are going to find underground whenever, and wherever, they break the ground.

Just as an illustration of how that pays off: One partly completed job in the city of San Francisco has already saved the city approximately $1,000,000 in showing them the danger of locating a large outfall sewer at their planned site and showing them where the sewer line could be placed so as to avoid those construction hazards. In Alaska the principal effort is going toward general geologic mapping to better evaluate the potential mineral resources and to assist the military in their engineering activities along the major transportation routes.

BENEFITS FROM MAPPING

Mr. KIRWAN. Did I understand you to say that due to the work of geologic mapping, one company, after reading your maps, was able to make a discovery of $135,000,000 worth of zinc?

Mr. BRADLEY. That is right. This was the geologic map. These are the rock formations that were mapped in that area, and they were mapped particularly as a research job in cooperation with the State of Tennessee. When the mining company geologists got hold of this map, with the indications that we already had released, they found the large new deposits. Actually the district consists of two big sheets of rock, one of which contains the old, already known ore deposits, and the next one virtually duplicates it. Essentially a new mining district was discovered within an old one.

Mr. KIRWAN. Who estimated that there is $135,000,000 worth of zinc there?

Mr. BRADLEY. The American Zinc Co.

Mr. KIRWAN. They themselves did the estimating, not the Government?

Mr. BRADLEY. Yes, sir; they volunteered that information to us.

Mr. KIRWAN. If such was the case—and no doubt that is the case when they estimate it, and they got it from your map—that is more money than the Government has spent in all the years on the Geological Survey; is it not?

Mr. BRADLEY. I think it is. I have not calculated it.

Mr. KIRWAN. I again say, just that one piece of work, that one discovery the Survey is responsible for, is probably worth more money than the Government and the taxpayers have put in this agency in the years of its existence.

Mr. BRADLEY. I believe that is right.

Mr. WRATHER. Mr. Kirwan, that is one thing that we concretely know about because the information was volunteered to us. There are other things that come along about which we may or may not learn. In other words, this work, our regular program of geological investigation, furnishes the ground work of information which can be used economically by mining and prospecting companies.

Mr. KIRWAN. But this company admits that from studying that map they have been successful in locating an estimated $135,000,000 worth of zinc. And if it is ever needed, now is the time.

In the cooperative mapping program, you say you have never volunteered your services?

Mr. FITZGERALD. They ask us to initiate a project generally because the State itself is interested in setting up a program.

NEW DISCOVERY IN MINNESOTA IRON RANGE

Mr. KIRWAN. Last year you told us about an area in which it was indicated by your prospecting work that the iron ranges in Minnesota were probably more extensive than previously realized. Has anything more been done to firm this up?

Mr. BRADLEY. The iron companies themselves are following that up, and we have started a new exploration survey party in there. We are sure that the iron ranges are more extensive, but it will take several years of work before we know how much more. It appears to be very promising.

Mr. KIRWAN. That is up in the iron country?

Mr. BRADLEY. Yes.

Mr. WRATHER. It is covered over with a heavy burden of glacial deposits that overlie it. It is going to be slow before the program materalizes because you have to prospect through that balnket of deposits. So it is going to extend over several years.

Mr. KIRWAN. Now you are sure there is plenty of iron still there?

Mr. WRATHER. All we can say is that geophysical exploration indicates that these are subsurface formations, which may or may not be the iron deposits; but the presumption is we are on the trail of buried iron ranges there.

Mr. BRADLEY. There have been some holes put down that actually cut ore, so they are reasonably sure.

Mr. WRATHER. They have cut the iron formation, and some of them have actually cut ore, but just how much, we are not able to evaluate yet.

OTHER NEW DISCOVERIES

Mr. KIRWAN. Please tell us of any other new discoveries of mineral deposits which have occurred this year.

Mr. BRADLEY. One of the most interesting ones comes out of some pure basic research in geochemistry on rare elements and their associations with other chemical elements. That work led to the discovery that the Arkansas bauxite deposits contain quite appreciable amounts of columbium.

That is not a place where, without that basic research, geologists or anybody else would normally think of looking. In other words, a new district for columbium; and columbium is very much needed by the Air Force in their construction of jet engines.

We have also found just this last fall in Arkansas another quite different columbium deposit. That is a brand new discovery. We do not know the extent of it yet, but it looks very promising and is fairly high-grade ore. The geochemical prospecting work in Idaho has indicated a very significant extension of the known deposits of cobalt, which is another seriously needed metal in the jet engine work.

Those are the principal accomplishments of the past year. We have one more that is just teetering on the brink and we are waiting for a little more geophysical and geochemical work and drilling, but it looks as if we might be able to repeat, in a mining district in the West, the same sort of thing that we did in the Tennessee country.

It looks as if the geologic structure is such that there will be a whole new mining district there, which has not been anticipated before. That is looking ahead. Maybe we can say something about that next year, but this is all that should be said now.

Mr. KIRWAN. Mr. Norrell.

WORK OF SURVEY IN ARKANSAS

Mr. NORRELL. Mr. Chairman, I do not want to take up any time except I would like for you to discuss a little more in detail the Arkansas angle that you touched on a while ago. Do you plan on doing anything down there in the next fiscal year? And if so, what?

Mr. BRADLEY. We will do some work in the Magnet Cove area. We will do very little in the bauxite area because we have done that geology pretty thoroughly. We know what it is. All that is necessary is to follow a policy which we have adhered to pretty rigorously; namely, if a company shows any interest in it and is willing to push it, we back out. We do not think there is any point in spending the taxpayers' money to do work that private initiative will do. We have told the bauxite companies that this columbium exists there; they are aware of it and naturally are interested, and of course are pushing ahead with it. So we will not need to do much more than a certain amount of sampling and a little more basic research on the material itself to see how it holds up in grade and whether all of the deposits contain it, or whether it is richer in some areas than in others. It is a comparatively small job that we have yet to do. The discovery was the significant thing.

FLEXIBILITY OF APPROPRIATION

Mr. NORRELL. If you were given the $2,830,000, your request for mineral deposits studies, and if the emergency should justify accelerating the program somewhat over and above that which is contemplated here, can this money be used in a flexible way?

Mr. BRADLEY. Yes; it could. But the columbium program that we have outlined for research and for further studies—the work that we have done—gives us leads now to other areas in other parts of the United States. That work we are pressing, and it is of greatest urgency that we do it.

We have applied to the Defense Materials Procurement Agency for some emergency funds to start that work on columbium and tantalum and continue it at a greater rate this year. We hope to put that into our regular appropriations as a program, as an emergency program, just as soon as we can.

It is not in this estimate because that work came up after these estimates were prepared.

Mr. NORRELL. Some of them down there have discussed that with me during the last few days, and I was interested in knowing whether they might, if the occasion looked like it would justify, require tests and what could be done under this appropriation.

Mr. BRADLEY. There is not enough in our current funds to do that without jeopardizing other work that is very promising.

Mr. NORRELL. But it could be done in a limited way. I am not talking about an exhaustive study.

Mr. BRADLEY. We are already doing it in a limited way; yes, sir.

Mr. NORRELL. I think, Mr. Chairman, other than that, I am going to rely on your questions.

WATER RESOURCES INVESTIGATIONS

Mr. KIRWAN. We now come to water resources investigations. We will place page 19 of the justifications in the record.

(Page 19 of the justifications is as follows:)

The Geological Survey's water data have been in increasing demand during the past year of mobilization. During the 6-month period from April through September alone the Geological Survey received more than 150 requests for water data from and provided useful assistance to the Armed Forces in connection with water supplies at airfields, supply depots, naval bases, research centers, etc. The Survey's water records from many States were carefully studied by the Atomic Energy Commission relative to the location of the H-bomb plant before choice of the site on the Savannah River. Large industries are increasingly dependent upon scientific information on water sources both for selection of new plant sites and for their operations. At the request of the National Security Resources Board, surveys of water resources and requirements are being conducted in 29 critical areas of high industrial concentration.

We were fortunate that World War II coincided with a period of satisfactory rainfall. Should a widespread drought occur in the present time of greatly increased water use—a drought such as occurred in the early thirties—the results might well be demoralizing. In such a crisis the water information of the Geological Survey would be of invaluable assistance to our complex economy in mitigating its evil effects.

The recent "billion dollar" Kansas River flood and the current record-breaking drought in the Southwest are reminders that the Nation's water problems are not confined to mobilization. Geological Survey technical and scientific personnel are engaged in developing, on the ground at these and other locations, the innumerable measurements and data that are fundamental to the planning and design of future water developments in these areas. The same water data that now serve the needs of mobilization will be equally useful in future river development activity.

The water resources investigation activity is composed of two parts: (*a*) the Federal program, and (*b*) the Federal-State program. The direct appropriation is divided between these two programs as follows:

Subactivity	Adjusted appropriation	Decreases	Base, 1953	Estimate, 1953	Increases
(*a*) Federal program	$2,612,000	$181,000	$2,431,000	$2,844,000	$413,000
(*b*) Federal-State program	3,300,000		3,300,000	3,500,000	200,000
Total	5,912,000	181,000	5,731,000	6,344,000	613,000

The following nonrecurring items have been deducted in arriving at the base for the 1953 estimate for this activity:

(1) Supplemental appropriation in 1952 for Kansas River flood studies and rehabilitation work $150,000

(2) Amount included in the 1952 appropriation for building rentals, hereafter to be financed by the General Services Administration 31,000

INCREASES REQUESTED

Mr. KIRWAN. I will ask you to explain the two increases amounting to $613,000.

Mr. WRATHER. That is divided between the Federal program and the Federal-State program. I think Mr. Paulsen, the chief hydraulic

engineer, should answer that. You are referring to the water resources investigations?

Mr. KIRWAN. Yes.

Mr. PAULSEN. Mr. Kirwan, the increase in the Federal-State program amounts to $200,000, on the basis of the best estimates that we have from the various States. As you know, for many years our State cooperative programs have been gradually increasing, year by year, by relatively small amounts; and during the last few years, about $200,000 a year.

In 1952 the increase was $200,000 over 1951; and to our best estimates it will amount to about $200,000 increase in 1953 over 1952. The balance of the increase relates to what we call our Federal program. It is divided up into many parts, including surface-water investigations, ground-water investigations, quality of water and sediment investigations.

The actual increase over 1952 in the amount of $613,000 as shown in the table is not the actual or net increase, because this figure does not take into account nonrecurring items of $181,000. So in reality the net increase as indicated here is only $432,000 over 1952. Our Alaska program will have a minor increase. Our program in Alaska is very minor compared with that in continental United States. Our total for work in Alaska is not much over $200,000 for all of our research activities in water.

IDENTIFICATION AND TREATMENT OF RADIOACTIVE WATER

Mr. KIRWAN. In your program concerning radioactivity of water resources, do you overlap any of the functions of the Public Health Service in identification and treatment of contaminated water?

Mr. PAULSEN. No, sir. We have very close collaboration with the Public Health Service in all of those programs, as well as with the Atomic Energy Commission; so that this program as shown in our justifications is strictly a research program that has the blessing of the Atomic Energy Commission and is worked out in very close collaboration with the Public Health Service.

WORK RELATED TO DEFENSE

Mr. KIRWAN. What percentage of the work done in your State cooperative water investigations is related to defense?

Mr. PAULSEN. That is rather hard to say because the basic information obtained through our State cooperative program, furnishes much of the background of basic information needed in furnishing information to all the defense activities.

That was well demonstrated during World War II. If we had not had all this background of basic information on surface water and ground water and even their quality, we could not have served the defense activities effectively.

That situation is developing again. We are being asked to furnish much information to the many defense activities, and it is only due to the fact that we have this backlog of basic information that we are able to handle those requests as well as we are.

REPORT ON KANSAS-MISSOURI FLOOD

Mr. KIRWAN. Have you completed a report on the Kansas-Missouri flood of last year?

Mr. PAULSEN. We have completed a preliminary report which has been published, which we call, you might say, a "quickie," of just making the determinations of maximum stages and volume of water at certain key stations.

Now we are making a much more comprehensive report which we hope to complete about May 1, covering all of the critical places throughout the entire flood area.

We have quite a group working on that, hoping that it will be completed and in published form before the end of this fiscal year. There is widespread interest in that report as indicated by the numerous requests that have already been made for the preliminary report that was published last October. We have already had more than a thousand requests for that preliminary report, which covers only a small part of the information needed by all Federal agencies, and State and private agencies.

WATER SHORTAGES

Mr. KIRWAN. Have there been any critical water shortages during the past year?

Mr. PAULSEN. Yes, there have. Of course I think everybody recognizes that there has been quite a serious critical drought condition throughout the entire Southwest for quite a number of years, extending from southern California on into Texas. The drought for quite a number of years has covered southern California, all of Arizona, all of New Mexico, a good part of Texas, southern Colorado, southern Utah, and parts of Nevada and Oklahoma.

However, recent storms seem to have broken the drought in southern California so far as we know, and in parts of Arizona; but it is still, from the information that we have as of now, rather severe in certain other areas.

Incidentally, there was quite a drought situation in parts of the Southeast, such as South Carolina, and of course they have been spotty elsewhere.

Mr. KIRWAN. When you are estimating the losses from shortages of water, do you place your estimations high enough?

Mr. PAULSEN. In our work we do not actually make an estimate of financial damage. Our work relates to determining the physical factors involved and the facts with respect to a drought or a flood. Other agencies, of course, Federal as well as private, make many estimates of the damages which we incorporate in our reports at times. But we ourselves make no independent estimates of what those damages are.

Mr. KIRWAN. The reason I ask that, is that your recommendations on water resources are accepted by most of the Nation.

Mr. PAULSEN. So far as the water supplies are concerned, we appraise the water available for use.

Mr. KIRWAN. Last week Mr. Norrell told me of a minister from his district who was here trying to get a ton or two of steel. He could not get it. There was no priority for it—all he wanted was just a ton or two.

You people had been recommending water for the fourth largest steel center of the world, which happens to be the district that I represent. I am not trying to put a plug in for my district. I am only telling facts. But up until the time that they built two reservoirs in 1944, their water supply was 11 billion gallons of water. Eleven billion gallons was all they had—one reservoir—to take care of the fourth largest steel center of this Nation—or the world, if you want to put it that way. An area where billions of dollars were invested and billions and billions depending upon the production of steel.

In 1944 they completed two reservoirs there. Last spring in June they had 70 billion gallons of water stored. Remember, I said that up until 1944 their supply was only 11 billion gallons and they had one reservoir. Last year they had three, two new ones and the old one. They had 70 billion gallons stored there. They received practically no rain until October. They used 50 billion of the 70 billion gallons of water before they got rain. Where would the whole Nation and the whole world have been? Do you see the point I am making?

I am not trying to plug Youngstown, but I am just trying to point out where would this Nation and the whole world be if those two reservoirs had not been built. They used 50 billion gallons of water before they got rain, and the reservoir supply was only 11 billion gallons up until the time they finished those two reservoirs.

Up until last fall, the fourth largest steel center in the world was depending upon 20 billion gallons of water. Supposing the Lord had not given us any rain until December? Not only the Methodist Church out in Arkansas would not get steel, but the whole world would not get steel.

Do you know of any place in the world that would be skating on such thin ice? It is not only in the Southwest. Look what happened to the water supply in New York, Pennsylvania, all over the Nation last year. I am not singling out Ohio; I am talking about the whole country. Now what have we got out in California? The lower corner of the State has been washed away, and very little water has been trapped for next summer when they need it. Look at the damage it has done out there, probably 50 to 100 million dollars, wiping out everything on its way to the sea.

Next summer, how California could use that water. Then up in the North we see the snow that melts in the spring and flows to the sea. We do not invest enough money protecting and saving America.

Mr. PAULSON. Incidentally, Mr. Kirwan, right along those lines, the National Security Resources Board and the Munitions Board, as well as other agencies, have given these critical areas much consideration and have asked us to make comprehensive reports on the adequacy of the available water supply during wet periods as well as dry periods.

One of the areas in which we are just about completing such a report is your area in Youngstown.

(Discussion off the record.)

LOCATION OF PLANTS NEAR WATER AND POWER SUPPLY

Mr. NORRELL. It does appear to me that no plant ought to be located in any area of the country at the expense of the Government when it can be located where it can get the things that it needs such as water and power and the other things in some other area of the

country. What I am trying to say is this: A steel mill ought not to be located in an area where you have to spend millions of dollars of our money, belonging to the taxpayers, to supply that mill with water when you can locate the mill elsewhere so as to be on a natural stream and get the water.

The same thing is true regarding industries that use power. If we have got to supply power in any area, that is something else. But if the thing that it needs can be supplied at private expense elsewhere, I think we ought not to do it at Government expense until that is the last resort in order to get what we want.

Mr. KIRWAN. You are referring to a Government-operated plant, now?

Mr. NORRELL. That is right.

Mr. KIRWAN. And not referring to private industry.

Mr. NORRELL. Private industry should do it if it can and will, and then if it cannot and will not, it is up to the Government to come in and do it.

Mr. KIRWAN. Private industry generally does it where they can do it. What I mean, there is more to the steel industry than water. It must be near coal and coke. It takes coal or coke from West Virginia, Pennsylvania or some other place to make the steel. That is the trouble on the west coast. They cannot produce steel out there as cheaply as they can in the East on account of the coal and coke. They do not have them there. They may have the water, but they do not have the coal or the coke.

Mr. PAULSEN. If I may add just one thing, we are coming out with a series of independent reports in many of these critical areas where there is likely to be a considerable expansion of industry to show just what the potential water supplies are.

(Discussion off the record.)

REQUESTS FOR INFORMATION ON WATER SUPPLIES

Mr. KIRWAN. Are you able to keep abreast of the needs of the military and defense agencies for information regarding water supplies?

Mr. PAULSEN. We are attempting to, and I think up to date we have done a pretty good job in that respect. But the impression we have is that as the mobilization program increases, we are likely to have many increased calls for information that we may be unable to fulfill.

Mr KIRWAN. Mr. Norrell, do you have any questions?

RECHARGING UNDERGROUND WATER

Mr. NORRELL. There is just one question I would like to ask the Director. Down in the rice area in Arkansas, our water is continually drying up, as I am sure you know. The underground water is getting lower. It has been suggested that one way of curing that in a very conservative way would be to dig wells and recharge the underground water.

Has that ever been done in this country or anywhere that you know about?

Mr. WRATHER. Yes, sir. There have been some successful efforts along that line. For instance, in the city of Louisville during the war there were heavy demands for water from plants which required under-

ground water because of its uniform quality and low temperature. Water was supplied by the city waterworks and was reintroduced into the sands.

The venture worked successfully, but there is a problem that relates to public health; that is, the danger of contaminating these underground reservoirs by the introduction of bacteria and so forth by pumping in untreated water. And if you treat the water, it leads to very considerable cost and expense. I think there is a very great deal to be learned in that line. We are devoting all the effort we can toward watching all such ventures and trying to arrive at some conclusions as to just how far water recharging may be a feasible venture, feasible both practically and economically.

Mr. NORRELL. Do you think it could be done in the way that would be economically feasible or sound?

Mr. WRATHER. Yes, sir; there is water recharging out there in California in which, by conducting the floodwaters from streams out on the flats and by excoriating the surface of the ground the water can be reintroduced, be led to seep into the ground and to rejoin these underlying formations from which it is later pumped out through wells. There have been some very successful ventures of that sort. A great deal depends on the territory that you are dealing with. It is not anything you could decide on a blanket basis. It is a thing which has to be worked out with reference to local conditions in each particular case. In some cases it proved to be uneconomical and in other cases quite feasible.

Mr. NORRELL. Could reasonable studies be made, that is, in a preliminary way, if we should desire it in Arkansas? Have we got enough money in the budget to do that in just a very limited way?

Mr. WRATHER. I would like to ask Mr. Sayre about that. He is in charge of the underground water investigations and I think he has studied that problem somewhat.

Mr. SAYRE. We have nothing in the budget at the present time for that purpose. It is one of these things that is very slow to take hold. We have given it a good bit of thought, and we think that it would be feasible in quite a large number of areas. There are certain problems in connection with it. One is that sediment in the water tends to clog up the wells and stop the infiltration. Another one is that in untreated water algae tend to grow in the wells and clog them up.

We think there are ways of getting around that, but it would require quite an extensive program.

Mr. NORRELL. How much do you have in your budget for that kind of study, if anything?

Mr. SAYRE. We have nothing in the budget for that except as it is included in the area studies.

Mr. NORRELL. That is all, Mr. Chairman.

NEED FOR MONEY NOT SPECIFICALLY EARMARKED

Mr. WRATHER. May I say a word?

Mr. KIRWAN. All right.

Mr. WRATHER. One of our besetting difficulties in the Survey is having adequate money that is unearmarked for some specific purpose or project. In other words, having money that is available administratively for us to divert into studies of the type you have mentioned

where we think we could make one of the greatest contributions to national welfare by attempting to solve some of these highly desirable propositions of this sort.

That is particularly true in water because the demands for money for financing water programs are distributed all over the country—the particular needs of Arizona or California or New Jersey. Therefore, there is so much of that spot work that goes on until all the money that we can get is not adequate to take care of those urgent pressing needs. There are many projects of an investigative nature, of a research nature, in which I feel that the Survey could make one of its greatest contributions if we just had in our budget money which we could hold inviolate, subject to administrative discretion on what these pressing problems are, allowing us the opportunity to study the situation and reach sound conclusions.

Mr. NORRELL. When you earmark your money in our outline, is it not true that sometimes you do not spend as much as you have estimated you would?

Mr. WRATHER. That is quite true; yes, sir.

Mr. NORRELL. Then what do you do with the research? Just let it carry over and it goes back into the treasury?

Mr. WRATHER. No, sir. In each year there is always an interest developed in the course of the year. In some cases the interest will decrease and allow certain money to be available for something else. But there is usually some other place where correspondingly there has been an increasing demand. Therefore we try to make adjustments of that sort.

Mr. NORRELL. Your increases offset your decreases?

Mr. WRATHER. Yes, sir; they do that.

Mr. NORRELL. Now, if there is written into the bill a provision that would let you make new studies with the money left over, unused, rather than to permit that use in areas where you have had increases in work, would that be a more satisfactory way of handling it?

Mr. WRATHER. Perhaps if we were allowed to carry it forward, Mr. Norrell. We are on an annual basis. Money left at the end of the year we cannot retain.

Usually, in order to carry out a satisfactory research program, you have got to put a good deal of planning into it. Therefore, you cannot get the work done in any one year. I am afraid that would not be too satisfactory unless we were allowed to impound that money and hold it until we got a sufficient amount, because, as things go with us usually, the money is not more than adequate to satisfy all the various pressures that we have for work of a specific character.

Mr. NORRELL. I agree with you largely that the money ought not to be used except where it was appropriated to be used. That is all, Mr. Chairman.

Mr. KIRWAN. Mr. Furcolo?

Mr. FURCOLO. Nothing.

STATE AND MUNICIPAL APPROPRIATIONS FOR COOPERATIVE WATER INVESTIGATIONS

Mr. KIRWAN. We will insert in the record page 27 of the justifications.

(P. 27 of the justifications is as follows:)

State and municipal appropriations for cooperative water investigations

State	1952 estimate	1953 estimate	State	1952 estimate	1953 estimate
Alabama	$92,500	$98,000	New Hampshire	$10,500	$18,000
Arizona	107,800	111,300	New Jersey	55,200	65,600
Arkansas	51,900	43,500	New Mexico	92,100	96,000
California	222,700	218,500	New York	210,000	260,000
Colorado	54,200	61,200	North Carolina	65,000	68,400
Connecticut	21,500	38,000	North Dakota	30,000	30,000
Delaware	17,500	22,000	Ohio	150,800	121,000
Florida	135,500	138,000	Oklahoma	74,600	85,500
Georgia	46,500	48,800	Oregon	55,800	55,800
Idaho	54,700	59,100	Pennsylvania	125,000	140,700
Illinois	61,000	63,600	Rhode Island	8,300	8,300
Indiana	83,500	86,000	South Carolina	25,400	29,200
Iowa	82,500	95,000	South Dakota	7,000	14,000
Kansas	58,000	54,000	Tennessee	63,700	86,000
Kentucky	109,700	106,700	Texas	191,500	201,800
Louisiana	56,500	66,000	Utah	99,500	98,100
Maine	12,000	12,000	Vermont	9,000	13,000
Maryland	77,500	57,800	Virginia	64,100	72,900
Massachusetts	44,200	45,900	Washington	109,000	113,900
Michigan	90,300	87,000	West Virginia	25,000	29,000
Minnesota	29,200	38,000	Wisconsin	31,800	37,600
Mississippi	19,000	15,000	Wyoming	45,100	55,600
Missouri	24,000	32,000			
Montana	33,300	33,300	Hawaii	80,500	75,400
Nebraska	60,000	60,000			
Nevada	25,600	33,500	Total	3,300,000	3,500,000

SOIL AND MOISTURE CONSERVATION

Mr. KIRWAN. Now we come to soil and moisture conservation. Briefly explain your accomplishments in soil and moisture work this year and what you expect to accomplish in 1953. I see there is just $3,000 difference in this and last year's. Is that correct? And that is salary increases?

Mr. WRATHER. It is in just about the same form as at the present time.

Mr. KIRWAN. You are just about to go through the same thing as you did last year in soil and moisture conservation?

Mr. WRATHER. That is right. In our original preliminary estimates we had a considerably larger amount than that. But then, when the ceiling was established for our program, we had all the emergency work to fit in under that ceiling. By the time we have taken care of the emergency problems, there is very little left for any increase in soil conservation.

Nevertheless, we recognize the importance of this and wherever possible support it, just as Mr. Norrell suggested a minute ago, by funds from any place where they can be made available.

CLASSIFICATION OF LANDS

Mr. KIRWAN. We will insert page 29 of the justifications in the record.

(P. 29 of the justifications is as follows:)

The classification of the federally owned and controlled lands in the United States and Alaska as to their mineral and water-power values is the sole responsibility of the Geological Survey. It requires the progressive investigation, examination, and classification of those lands with minimum delay. All phases of this work, and those of the closely related activity "Supervision of mining and oil and

gas leases," are requisite to the continued functioning of the system of public-land administration prescribed by the various mineral-leasing laws. Owing to the continuation of the expanding defense economy, there is an accelerating increasing demand for the services rendered under this activity.

Subactivity	Base, 1953	Estimate, 1953	Increases
(a) Mineral classification	$184,000	$207,600	$23,600
(b) Water and power classification	176,000	202,400	26,400
Total	360,000	410,000	50,000

Mr. KIRWAN. Classification of lands. In this item an increase of $50,000 is requested. Please explain the need for this increase.

Mr. WRATHER. Mr. Duncan.

Mr. DUNCAN. Mr. Chairman, the classification of public lands is required by legislation in order to evaluate them and determine what is their mineral content, and to determine the types of leases to be issued under present legislation.

The activity in oil, gas, phosphate, and potash is increasing by leaps and bounds to the point where it just requires additional help both in Washington and in the field in order to have the classifications ready for industry to develop the leases.

CLASSIFICATION REPORTS

We have made 46,000 classification reports this year, with a limited personnel of about 50 people in the field and in Washington. In 1950 there were only 18,000 of those reports. We are 2,000 to 5,000 behind, most of the time. We must report before the land can be leased for development. We are an essential operating part of the Government to further the development on public and acquired lands. We are now also involved more or less in the tidelands. But our acquired lands all over the United States have placed a heavy burden on us that we never expected, because nobody knew where they were or what they consisted of. They are being developed now, especially in Mississippi and Louisiana.

We must have this classification work. We cannot keep up with the increasing amount of applications filed. We are withdrawing lands and classifying lands as to whether or not they are valuable, and are going into Alaska quite extensively on those new potential power areas for classification purposes in order to have the areas ready for development by private industry.

Mr. KIRWAN. Do you think there will ever come a day when they will be all classified and the program can come to an end?

CONTINUOUS NATURE OF CLASSIFICATION WORK

Mr. DUNCAN. No, sir. I do not think it is possible because of new techniques in finding minerals, and we go right back over the same territory; because, as you make a new discovery, you must reclassify. As long as the Government has a public domain or owns land, we will have classification.

Mr. KIRWAN. And we are discovering new minerals each year that you went over one time and did not think anything of it. They thought it was wasteland, but now they can put it to some use.

Mr. WRATHER. One good example of that, Mr. Kirwan, is this fissionable material. In other words, a few years ago that was of no importance particularly. Now it is of primary importance. Therefore, it is necessary to go back and give the whole country a recombing and find out what has been overlooked in the past, with attention directed to it. New techniques permit you to discover things now that you never could discover before. That is a thing we just have to deal with. It grows out of advancing technology.

Mr. KIRWAN. And every new discovery is well worth while. The Government, of course, is compensated by the taxes that come back from an industry that develops from the discovery.

Mr. DUNCAN. On mineral leaseholds you must classify the land as to whether or not you believe it is proven potentially productive or not. If it is proven productive, it is sold at public auction, which brings in a lot of money to the Government.

Mr. KIRWAN. This activity is related to national defense pretty much, is it?

Mr. DUNCAN. It is directly tied to national defense.

PURPOSE AND METHODS IN CLASSIFYING LAND

Mr. FURCOLO. When you go over the land, are you looking for certain minerals, or do you just put down everything that is in there?

Mr. DUNCAN. The Leasing Act relates primarily to a few minerals, oil and gas, coal, potash, phosphate, sodium, oil shale and sulfur. That is what you classify as to whether you think they contain or do not contain.

But even if you classify all the public land whether or not they contain leasable minerals, your new sources of geologic information, as Mr. Bradley has explained, create new methods of finding that change your thinking in classification.

Mr. FURCOLO. In other words, when you do go over them, you are looking for everything in there that present scientific methods know how to discover. Or is it rather that you have in mind certain things for which you are looking and you go over it to see if those are there?

Mr. DUNCAN. We do not go over the land in the majority of cases. The Geologic Division, I would say, does the broad geologic work. Ours is detailed down to forties or very small areas. We do not need to go out into the field in all cases and do the detailed work, because much of the information is available in the Geological Survey files.

We have, of course, the information on geologic conditions, and we have the production information for classification.

Mr. FURCOLO. Someone gives you the information and you classify it accordingly?

Mr. DUNCAN. We classify either from what is assembled in our files or by a spot check in the field, or depend upon the Geologic Division in a broad area, say, like those millions of acres in North Dakota that have never been classified for coal. When funds permit and the Geologic Division does the detailed work, the land will be classified on the basis of that information.

SUPERVISION OF MINING AND OIL AND GAS LEASES

Mr. KIRWAN. We will insert page 32 of the justifications in the record at this point.

(The material referred to is as follows:)

This is a continuing supervisory and regulatory activity required by various mineral-leasing acts and amendments governing prospecting, development, and producing operations under mineral leases on Federal, Indian, and naval petroleum-reserve lands.

Although there have been some increases in the funds available for this activity during the past few years, the devaluation of the dollar and rising salary costs have resulted in a diminution of the personal services and in the returns from expenditures for travel, equipment, and other fixed recurring charges—this in the face of rapidly increasing service demands.

The same disproportionate ratio between workload, and manpower available to carry that workload, exists this year, as it has for some years past. The volume of work required to adequately administer the mineral leases now in force has increased far beyond expectations of last year. The value of minerals supervised and the value of the royalties accruing from those minerals have increased about 300 percent from 1940 to 1950. The increase during 1950 over 1949 was 7 percent and, on the basis of records so far this year, the increase during 1951 over 1950 is expected to be 9 or 10 percent. The workload, in terms of the number of supervised properties, mines, wells, delegations of administrative responsibilities, and the related duties performed by the mineral-leasing units of the Survey, has increased nearly 2½ times during the past 5 years and, during 1953, it is estimated that that workload will have soared to an unprecedented high of 95,500 units, or an increase of about 25 percent in 1 year. The situation is anomalous. For example, during 1947 the Survey had $670,000 for this activity. That sum was sufficient to supply 144 employees to carry a combined workload of some 29,400 "units" (mines, wells, properties, etc.) or about 204 units of workload per employee. Five years later, in the face of a steadily increasing workload, the funds available for 1952, amounting to $967,700, are sufficient to supply only 160 employees to carry a combined workload of 77,000 units, or 481 units per employee. In other words, the workload increased 162 percent, the funds to pay for the work increased only 44 percent, while the purchasing power of those funds, in terms of manpower, increased only 11 percent. For 1953 the expected workload-employee relationship will be 432 units per employee, a somewhat more favorable or reasonable ratio, but still high for effective supervision. In the absence of a reasonable ratio between effective manpower and the job to be done the regulatory and supervisory function will continue to suffer loss of effectiveness owing to understaffing and overtaxed personnel.

	Base 1953	Estimate 1953	Increases
(a) Supervising mining leases	$220,200	$269,000	$48,800
(b) Supervising oil and gas leases	715,800	841,000	125,200
Total	936,000	1,110,000	174,000

Mr. KIRWAN. Supervision of mining and oil and gas leases. Briefly explain the need for the increase in personnel for which $174,000 is being requested.

PERSONNEL INCREASE

Mr. DUNCAN. The same statement I previously made about increased activity on Government, Indian, Navy, and acquired lands applies to our supervisory work.

I would like to state that in 1940 the total royalty income of all the activities we supervised was something like $8,500,000, and this last year it will be right at $33,000,000 from all the lands mentioned above. Of that amount the $26,000,000 that came just from the public lands

will be paid to the United States Government and disbursed 37.5 percent to the States, 52.5 percent to reclamation, and 10 percent to the United States Treasury.

The leasing has jumped—in 1949 we had 30,000 leases under our supervision; this year, as of November 30, we had 59,000, and they are increasing at the rate of about 2,000 to 3,000 a month.

Mr. KIRWAN. How many personnel does it take now to take care of that increase alone.

Mr. DUNCAN. We have worked out short cuts. We have no statistician or no way except a hit-and-miss proposition of getting figures together because we have never been able to afford it. I think we have about 160 people here and in the field. That includes accountants, clerks, and engineers.

Mr. KIRWAN. You are looking after 59,000 leases? Is that it?

Mr. DUNCAN. There are 59,000 leases on the record. I wish to state that there are only around 4,000 producing accounts, but that requires a lot of accounting.

Mr. KIRWAN. Nevertheless there are 59,000 leases on the record, and if somebody comes in there and asks for information on a certain thing, one of those 160 employees has got to furnish it, has to go and dig up that information from the 59,000.

Mr. DUNCAN. That is correct. The acquired land, that is repurchased land, in the South is becoming quite important from the standpoint of development. We have no office in the South. Whether we can ever put one in, we do not know.

ALASKAN OFFICE

We are opening an office in Alaska. For years and years we have worked there only in a minor way through a cooperative arrangement with the Territorial Government. But the coal production up there and the importance of mining now require that we have a full-time employee to represent us. We are starting this fiscal year. It will cost us $15,000 or $17,000. We do not do a complete job. I frankly admit we cannot.

Mr. KIRWAN. You cannot do the job. If industry or utilities or any big business operated the way the Government is operating, they could not do the job.

Mr. DUNCAN. We are accounting now for all production from the Government land, which has increased the operating expense; but it is good business in that we are able every month—if we ever get caught up—to present a statement that shows the actual account. It is a record that they can count on, right in the field.

DISTRIBUTION OF GOVERNMENT EXPENDITURES

Mr. KIRWAN. Nearly 90 percent of the budget is going either into future defense or future wars, or paying for past wars; and only 10 percent of the money that is required in this budget is going to operate the Government. Never at any time in its history has the Government been run as cheaply as it is being run now. I do not say this for politics or anything like that, but back in 1932, when the economy of America was under $37,500,000,000, that is before we had any, or just a token of defense, Army or Navy—and they were paying soldiers only $18 a month, I think—it took $4,500,000,000 to run this Nation.

Now it is not taking over 10 or 15 billion dollars to run a nation with a $325,000,000,000 economy. This shows how cheaply the country is being run today. If we did not have pensions, the Veterans' Administration costs, and the preparation for future defense, the country would not be spending one-third of the money on itself, on America, that should be spent, whether it is mapping or in conserving water or what it may be.

Mr. DUNCAN. I would like to say that every day's delay when a person wants to drill a well or open a new mine works against national defense.

Mr. KIRWAN. It is not only not helping national defense, but it is not helping to reduce taxes; no income coming in from our natural resources that could be coming in.

SUPERVISION OF LEASES

Is most of this supervision work done in your offices or by on-the-site inspection work?

Mr. DUNCAN. We try to do it on the site of the work. As I say, we are not doing a complete job. We are doing the best we can, and as we know our operators we are trying to rely on them. We try to make every operation two or three times a month; but some of our districts may be the size of 300 miles by 200, or something like that; and they may contain 50 oil fields or mines. It is just an impossibility to adequately supervise operations over so large a district with two men.

One reason is the so-called paper work, which is increasing.

JURISDICTION IN SUPERVISING MINING LEASES

Mr. NORRELL. One question I wanted to ask there, Mr. Chairman. I notice on page 34 of the justifications, the statement is made that you supervised about 460 producing mines with annual production aggregating more than 16,000,000 tons—that is $107,000,000—and returning production royalties of $3,800,000.

Do you have any concurring agency of the Interior Department that would mention this, or do you have the sole jurisdiction of it as far as the Interior Department is concerned?

Mr. DUNCAN. The Bureau of Land Management and the Geological Survey work very closely in the management of public lands, mineral leasing, and development. They issue the leases and we supervise the operations.

Mr. NORRELL. Then they might, to some extent, have duplicative information on this one item.

Mr. DUNCAN. They could have; yes.

DISTRIBUTION OF INCOME

Mr. NORRELL. Will you give the committee a breakdown as to where this money goes under existing law?

Mr. DUNCAN. Under existing law the money goes 37.5 percent to the State in which the minerals were produced on public lands, and 52.5 percent goes into the reclamation fund, and 10 percent goes into the General Treasury.

Mr. NORRELL. Then out of the 10 percent that goes into the Treasury, these items are indirectly, at least, paid. Is that correct? In other words, if you are trying to determine whether or not this was self-sustaining, you would charge the outgo against the income. Income on this item would be $3,800,000. Now then, you disburse 37.5 percent to the States under the law.

Mr. DUNCAN. No; let us talk a little higher up. That figure of $3,800,000 was only for mining operations. The total royalty income from the public lands alone for 1950 was $26,000,000.

Mr. NORRELL. All right, let us say $26,000,000. Now, that is your income. You disburse 37.5 percent to the States.

Mr. DUNCAN. Yes, sir.

Mr. NORRELL. Then you give, I believe you said, the reclamation fund——

Mr. DUNCAN. 52.5 percent.

Mr. NORRELL. And that is deducted from the $26,000,000. Then these items such as you have here to supervise this job would indirectly, at least—if we were trying to see whether or not we were breaking even with the money—come out of the 10 percent that goes into the Treasury.

Could you figure out how much net cash there would be in the Treasury if all appropriations that the Federal Government makes involving these lands were totaled and deducted from the income along with your disbursals to the States and to the reclamation fund? Do you have any idea what that would be?

Mr. DUNCAN. I would have no idea.

Mr. NORRELL. Is there any way, Mr. Director, that we can get that information?

Mr. WRATHER. I think that information can be compiled. Are you talking about one particular year, or are you talking about a long period of time?

Mr. NORRELL. You heard the question, Mr. Beasley. I am trying to determine whether the grand total of all the money that we appropriate from the Treasury and the amounts of disbursal would be less, equal to, or more than the pooled income.

Mr. BEASLEY. That would involve an analysis of the expenditures by the Bureau of Land Management as well as the Geological Survey. I believe we could make such an analysis that would show you the result.

Mr. NORRELL. All right. We will leave it with that, and Mr. Beasley can see that this committee gets it.

(The following was submitted later:)

Analysis of receipts and appropriations related to the administration of natural resources

FISCAL YEAR 1951

Sources of receipts	Total receipts	Distribution of receipts					Related appropriation or activity		
		Payments to States and counties	Deposits for range improvement	Deposited with other agencies	Reclamation fund	General fund	Appropriation or activity	Direct cost	Indirect cost
1951 (ACTUAL)									
Mineral Leasing Act	$37,073,008	$13,902,378			$19,459,733	$3,710,897	Lease and disposal of mineral resources (BLM).	$390,994	
Other authorized acts (mineral)	1,379,999	6,164		$797,544	3,076	573,215	Supervising mining and oil and gas leases (GS).	738,696	
Sale of public lands and materials	518,979	20,328			407,977	90,674			
Fees and commissions	374,112					374,112			
Sales, Indian lands	9,302			9,302			Land use and disposal (BLM)	1,063,984	
Right-of-way leases	59,387			1,170	123	58,094			
Miscellaneous receipts	206,153	[1] 6,077		8,357	9,650	182,069			
Grazing, sec. 3	1,381,975	137,677	$280,731	106		963,461			
Grazing, sec. 15	301,417	150,708	75,355			75,354	Grazing (BLM)	1,085,111	
O. & C. and Coos Bay timber sales	6,717,445	3,197,177				[2] 3,520,268			
Other timber sales	1,060,554	38,555			1,005,646	16,353	Forestry (BLM)	1,487,464	
Total 1951 receipts	49,082,331	17,459,064	356,086	816,479	20,886,205	9,564,497			
							Cadastral survey (BLM)		$774,027
							Soil and moisture conservation (BLM)		983,505
							Fire fighting (BLM)		249,581
							General administration (BLM)		1,020,235
							Classification of mineral lands (GS)		161,370
							Squaw Butte experiment station (BLM)		38,363
							Construction of access roads (BLM)		108,982
							Total	4,766,249	3,336,063
Total 1951 appropriation								$8,102,312	

[1] Includes $5,770 for "Leasing of grazing lands."
[2] Includes $951,653 for deficiency payments to counties O. & C.

1953 (ESTIMATE)									
Mineral Leasing Act	$41,000,000	$16,500,000			$20,500,000	$4,000,000	Lease and disposal of mineral resources (BLM).	$490,000	
Other authorized acts (mineral)	1,600,000	7,000		$900,000		693,000	Supervising mining and oil and gas leases (GS).	1,010,000	
Sale of public lands and materials	523,000	22,000			409,000	92,000			
Fees and commissions	380,000					380,000			
Sales, Indian lands	1,000			1,000			Land use and disposal (BLM)	1,345,000	
Right-of-way leases	60,000			1,000		59,000			
Miscellaneous receipts	250,000	600		10,000		239,400			
Grazing, sec. 3	1,750,000	186,000	$290,000	100		1,273,900	Grazing (BLM)	1,610,000	
Grazing, sec. 15	400,000	200,000	100,000			100,000			
O. & C. and Coos Bay timber sales	10,000,000	6,738,500				3,261,500	Forestry (BLM)	2,055,000	
Other timber sales	1,500,000	53,000			1,400,000	47,000			
Total 1953 receipts	57,464,000	23,707,100	390,000	912,100	22,309,000	10,145,800			
							Cadastral survey (BLM)		$778,000
							Soil and moisture conservation (BLM)		1,736,000
							Squaw Butte (BLM)		38,000
							Weed control (BLM)		1,345,000
							Maintenance of physical facilities (BLM)		25,000
							General administration (BLM)		1,178,000
							Fire fighting (BLM)		150,000
							Classification of mineral lands (GS)		207,600
							Construction of access roads (BLM)		700,000
							Total	6,510,000	6,157,600
Total appropriation								$12,667,600	

GENERAL ADMINISTRATION

Mr. KIRWAN. We will now take up general administration. We will put pages 36 and 37 of the justifications into the record.

(Pages 36 and 37 of the justifications are as follows:)

The general administrative units of the Geological Survey include the Offices of the Director and the Executive Officer, the Budget Office, Personnel Branch, Accounts Branch, and the Purchasing, Property Control, and Mail and Messenger Sections of the Service and Supply Branch in Washington; it also includes similar activities in the Denver, Colo., and Juneau, Alaska, offices of the Survey. In addition to these units, the general administration of the bureau also includes such items as miscellaneous printing for the entire bureau and miscellaneous charges for services rendered by the Department.

This activity is financed partly by direct appropriation and partly by charges against funds transferred from other Federal agencies. On the basis of present estimates of over-all funds to be available from all sources during the fiscal year 1953, it is anticipated that the total increase in Survey programs will approximate 6 percent. In order to provide additional services in the accounting, auditing, payroll, personnel, purchasing, property control, and mail and messenger functions of the bureau in connection with this increase, it is estimated that an increase of about 3 percent, or $28,000, will be required for general administration.

This would provide for about 7 man-years of personal services (mostly clericals, ranging from GS–3 to GS–7) to be added to the present staffs of the general administrative units. Three-fourths, or $21,000, is properly chargeable to the direct appropriation. A summary of the total estimated cost of general administration by units follows:

	Base 1953	Estimate 1953	Increases
Director's Office	$142,000	$142,000	
Office of the Executive Officer	31,000	31,000	
Budget Office	24,000	24,000	
Personnel Branch	143,500	149,500	$6,000
Accounts Branch	258,000	268,000	10,000
Service and Supply Branch (Washington and Alaska)	179,500	186,500	7,000
Rocky Mountain Service and Supply Branch	90,000	94,000	4,000
Miscellaneous costs (telephone and health services for the above units; general printing for the entire bureau; charges for services rendered by the Department, etc.)	64,000	65,000	1,000
	932,000	960,000	28,000
Less amount to be charged to transferred funds	262,000	269,000	7,000
Amount to be changed to direct appropriation (includes comparative transfer of $125,000 from "Maintenance and operations, Army," in 1952)	670,000	691,000	21,000

INCREASES REQUESTED

Mr. KIRWAN. Please explain the increases requested for this item.

Mr. WRATHER. The administrative item to be charged against the direct appropriation of the Geological Survey is $691,000. As indicated in these tables, there is an additional allocation to administration from the funds transferred to us by other agencies. But it boils down to the fact that there is only a 3-percent increase requested in the appropriation for administration, as compared with an 8-percent increase requested in the total appropriation. In other words, as the total appropriation goes up, the administrative cost does not go up in the same ratio.

Mr. KIRWAN. Explain how the relationship is arrived at.

Mr. WRATHER. I would like to ask Mr. Ramsey, the Budget officer, to do that.

Mr. RAMSEY. For the regular program activities of the Survey we have requested increases of 8 percent. We are attempting to hold the increases in general administrative costs to something less than half of that percentage; so that as the regular programs go up, the requests for general administration, we hope, will continue to go up not more than 50 percent as fast.

Mr. KIRWAN. You think, then, that is getting out from under pretty easily, 50 percent, the administration end of it?

Mr. WRATHER. Fifty percent as fast as the year's increase, Mr. Kirwan.

Mr. KIRWAN. Yes.

Mr. RAMSEY. We think we can do it for that, sir.

Mr. KIRWAN. The Survey program, I think, showed 6 percent. You said 8.

Mr. RAMSEY. The over-all programs of the Survey will increase about 6 percent. That includes funds transferred from other Federal agencies. The increase in the direct appropriations which we are considering today specifically would run about 8 percent.

Mr. KIRWAN. Doctor, as usual, you have made a good presentation of your budget and have defended it well. I think you have done a very good job. We are happy to have had you with us.

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